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TODAY: STAGE Rules Protest, Page 9

'Good Conversations' Open Mideast Talks

But Israel Rejects Pressure to Set A Deadline for Hebron Withdrawal

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton opened a crucial meeting of Middle East leaders on Tuesday, but Israel quickly rejected pressure to set a deadline for the withdrawal of Israel soldiers from the West Bank town of Hebron.

Opening the meeting, President Clinton said, "We are all committed to moving forward," and he vowed to do his best to end violence in the region and revive the peace process.

"We've come a long way in the past few years, and no one wants to turn back," Mr. Clinton said during a midday photo session in the Oval Office.

"We have had some good conversations already."

To his left sat Prime Minister Benjamin Netanyahu of Israel and Vice President Al Gore. To his right, King Hussein of Jordan and Yasser Arafat, the Palestinian leader.

The Israeli trade minister, Natan Sharansky, said after Mr. Netanyahu and Mr. Arafat met privately later at the White House. "The only real difficulty is on the date of Hebron."

"It was definitely clear that the American side wants a definite and final date for the Hebron redeployment," Mr. Sharansky said. "Israel says it is impossible to set a deadline for Hebron."

He said, however, he wanted "to make clear there was not American pressure" and that "the atmosphere was very friendly."

Mr. Clinton said that the overall meeting, convened in haste after more than 70 Israelis and Palestinians died in street fighting last week, would continue Wednesday.

The president met first Tuesday with Mr. Netanyahu, then with Mr. Arafat.

Asked during the session if he was committed to the pursuit of peace, Mr. Netanyahu replied, "Absolutely."

Neither Mr. Arafat nor King Hussein spoke.

Mr. Netanyahu and Mr. Arafat later discussed their differences alone over a three-hour lunch in the White House.

The White House spokesman, Michael McCurry, said the lunch began with Mr. Clinton and King Hussein joining the two others but that after a time they left the Israeli and Palestinian leaders alone.

U.S. officials have tried to lower expectations for the overall meeting because all parties face constraints at home that make compromise difficult.

Mr. Clinton, however, has a considerable investment in producing at least the appearance of movement, with the U.S. presidential election five weeks away.

"I look forward to making some real progress here," he said. "We are going to do our best."

The most burning question is whether Israel might agree to close the new entrance to an archaeological tunnel at the Temple Mount in Jerusalem that set off the violence when it was opened week ago.

Administration officials have offered stark assessments of the status of the Middle East peace process. Secretary of State Warren Christopher said it was "in a state of crisis."

They hope for a renewed commitment by both sides to carry out the

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Roland Weihrauch/The Associated Press

AUTO WORKERS STRIKE IN GERMANY — Workers from a Ford automobile plant taking to the street in Cologne on Tuesday. Unions mobilized more than 100,000 workers to walk out across Germany as a law took effect allowing industry to shed some of the corporate burden of providing sick pay benefits. Page 11.

EU Steps Up Campaign Against U.S. Sanctions

In Rebuff to Clinton, Bloc Taking Dispute To World Trade Body

By Tom Buerkle
International Herald Tribune

LUXEMBOURG — The trans-Atlantic dispute over trade policy toward Cuba, Iran and Libya escalated Tuesday as the European Union decided to challenge U.S. trade sanctions at the World Trade Organization and enact legislation to protect European companies from the reach of American law.

The decision by EU foreign ministers who met here was a direct rebuff to the administration of President Bill Clinton, which has lobbied European capitals vigorously in recent weeks to avoid retaliation and instead work with Washington to promote democracy in Cuba and combat international terrorism.

It also posed the biggest challenge to date to the nascent World Trade Organization, which will have to decide whether international trade laws take precedence over America's proclaimed national security interests regarding Cuba.

The EU ministers wanted to send a clear political signal that they regard the two U.S. trade laws, known as the Helms-Burton and D'Amato acts, as "objectionable in principle, contrary to international trade law and damaging to the interests of the European Union" said Sir Leon Brittan, the EU trade commissioner. The laws allow the United States to impose sanctions on foreign companies that do business with Cuba, Iran and Libya.

The Union will ask a dispute-settlement panel of the trade organization on Oct. 16 to rule on the legality of the Helms-Burton law, officials said. The Union also plans to enact legislation to protect EU companies against the sanctions of both U.S. laws, probably before the end of the month, officials said.

In Washington, the Clinton administration criticized the EU move, saying that the Cuba issue was a matter of security policy rather than trade policy and warning that a ruling against Washington could undermine American support for the Geneva-based trade organization.

The EU decision "will only escalate the dispute at a time when we ought to be trying to resolve it quietly," Stuart Eizenstat, the undersecretary of commerce appointed by Mr. Clinton to resolve the issue, said by telephone.

He indicated that the administration would invoke, for the first time, Article 21 of the General Agreement on Tariffs and Trade, which allows countries to suspend global trade rules to protect "essential security interests."

Washington will use "all defenses at our disposal" to defend Helms-Burton, Mr. Eizenstat vowed.

The ministers' move reflected a hardening of opinion in Europe against U.S. efforts to pursue its foreign-policy aims with extraterritorial legislation. Three weeks ago, senior EU officials led by Jacques Santer, the president of the European Commission, indicated the Union would withhold retaliation in hopes of a change in U.S. policy after the Nov. 5 presidential election.

But after making no progress in three rounds of consultation with U.S. officials, "we really had no justification for delaying action just because of the American election," Sir Leon said.

While the decision ratcheted up tensions over trade policy toward the so-called pariah states, EU ministers sought to prevent the dispute from damaging broader trans-Atlantic trade relations. They authorized Sir Leon to negotiate the removal of tariffs on information- technology goods, a key U.S. aim. The ministers also authorized him to improve Europe's offer in global

See TRADE, Page 8

Japan delays new insurance laws in concession to the U.S. Page 11.

Chirac Alarms Italy on Single Currency

Remark on 1999 Timetable Is Withdrawn After Rome Complains

By Tom Buerkle
International Herald Tribune

Giving a remarkable glimpse of the behind-the-scenes struggle for a place in Europe's planned monetary union, President Jacques Chirac of France bluntly declared that Italy would not be among the first countries to adopt a single European currency in 1999.

Mr. Chirac later withdrew the remark, but only after his comments provoked a diplomatic incident as senior Italian officials threatened to call off a meeting planned for Thursday between Mr. Chirac and Prime Minister Romano Prodi.

What's more, the incident masked the fact that both France and Italy share a common underlying desire that Europe's single currency be adopted by as many countries as possible, especially southern members of the European Union, officials and analysts said.

In a speech to business leaders in the depressed northern French city of Arras, Mr. Chirac said that some European Union countries would launch a single currency on schedule at the start of 1999, but added that "it may take a little bit longer for those who are further behind, like Italy."

Big tax reforms are proposed by Chancellor Kohl's party. Page 13.

And acknowledging the devastating impact that the lira's devaluation has had on the textile industry around Arras, Mr. Chirac said the lira's movement was "completely incompatible with a single European market, even if it has rebounded slightly recently."

The comments sent immediate shock waves across Italy. Fear of being left outside the European mainstream has become the national preoccupation, and the government was already reeling from comments by Prime Minister Jose Maria Aznar of Spain. He said in an interview in Monday's Financial Times that he had rejected an overture from Mr. Prodi that Italy and Spain press for a relaxation of the single-currency criteria.

Mr. Chirac's comments were "grave because our country has made an exceptional effort to enter Europe," said Walter Veltroni, Italy's deputy prime minister. "We don't pass judgment on what others do and we expect others to act the same way." Last Friday, Mr. Prodi's government approved an unexpectedly harsh 1997 budget containing spending cuts and tax increases of

See CHIRAC, Page 8

Supreme Court To Examine 'Right to Die'

By Joan Biskupic
Washington Post Service

WASHINGTON — The U.S. Supreme Court agreed Tuesday that it would decide the constitutionality of laws that stop physicians from assisting terminally ill people in suicide, entering one of the most socially divisive debates since the abortion controversy that began in the 1970s.

Physician-assisted suicide has gained wide public attention because of lower court rulings on cases in New York and Washington state, which the court was agreeing to review, as well as the actions of Jack Kevorkian, the retired doctor who says he has assisted in more than 40 suicides since 1990.

The controversy parallels abortion, not only because of the great moral overtones and conflicts between individual choice and societal interests, but also because of the role the Supreme Court has now stepped into.

In 1973, when states were struggling with abortion regulations, the court decided that a woman had a fundamental constitutional right to end a pregnancy and made abortion legal nationwide. Some critics still say the court's approach circumvented the democratic process and the interests of the states, many of which arguably would have legalized abortion anyway.

Similarly, the states that are challenging the two appeals court rulings that overturned bans on doctor-assisted suicide and found a constitutional right to such procedures say the rulings usurped the states' power to protect the lives of their people.

"The interests at stake are critical," Attorney General Dennis Vacco of New York argued before the court. "On an individual level, an erroneous decision by a physician in the course of assisting a suicide simply is not susceptible of correction. On a broader societal level, the outcome in this case will have enormous influence on whether assisted suicide becomes a standard part of our nation's medical practice, and on what will occur in hospitals, clinics and doctors' offices around the country."

New York passed a law to prohibit doctors from assisting in suicides, which the appeals court threw out. Mr. Vacco was asking the justices to over-

See EUTHANASIA, Page 8

Indonesia's Rising Middle Class Shuns the Fray

By Keith B. Richburg
Washington Post Service

JAKARTA — Juwono Sudarsono, a political science professor, was a student during the excitement and turmoil of Indonesia's Year of Living Dangerously.

"I had goose pimples whenever I heard President Sukarno make speeches," he said, recalling the early 1960s. "But after the speeches, we went back to the grueling life of standing in line for soap, for rice, for basic necessities." Life was harder then, he said, "but we felt like we were traveling on top of the world. There was a great sense of unity."

The turmoil reached a climax in 1965 with an attempted Communist coup. In the decades since then, Indonesia has undergone one of the world's most profound economic transformations, from a country of widespread poverty and starvation into one of Asia's fastest-growing economies. The lines for rice are a thing of the past in this sprawling, steamy capital, replaced by bumper-to-bumper rush-hour traffic. The teeming slums are being bulldozed for office towers and shopping centers.

One of the greatest changes has been the emergence of an urban middle class, now estimated at about 15 million people — a small portion of Indonesia's population of 196 million, but a conspicuous consumer elite.

They are the children of Indonesia's newfound prosperity. They work in the sleek office buildings, moving money and managing markets. They carry cellular phones, they surf the Internet and they travel abroad. They can usually be found late in the evening at trendy discos here, such as the Tanamur and Ebony and in pricey American-style restaurants.

And they seem, so far at least, uninterested in politics or in challenging a military-led authoritarian system that many here see as the force behind their economic success.

Mr. Juwono sees in his two sons, aged 18 and 21, a mirror of this new generation.

"They're perfectly happy," he said. "They want to go into law and economics. They want to earn 200 bucks an hour. They don't want to follow their old man and study politics. They

See INDONESIA, Page 4

Enny Nuraheni/Reuters

Indonesia on Tuesday commemorated army officers killed in the attempted coup of 1965 with a parade past some of their portraits and a speech by President Suharto against the dangers of latent communism.

Don't Panic, but Look at Those Frogs

By William Souder
Washington Post Service

DULUTH, Minnesota — On Aug. 8, 1995, Cindy Reinitz took her middle-school students on a field trip to a farm in the town of Henderson in south-central Minnesota. As they walked along, the kids started chasing frogs. Jeff Fish, 13, caught the first one that did not look right.

It was missing its right hind leg.

As Ms. Reinitz examined the frog, a girl brought over another one, this one with a withered hind leg. Then another. The class caught 22 frogs that morning, 11 of which had deformed hind legs.

"I think the kids got kind of scared," Ms. Reinitz said. "They immediately started asking me what the cancer rate was in the area."

Ms. Reinitz alerted a local wildlife biologist and the frogs eventually were reported to the Minnesota Pollution Control Agency in St. Paul. It would be the first of many such reports the agency would receive in the coming months.

Deformed frogs have now been found at more than 100 sites in 54 of Minnesota's 87 counties, and researchers here said they believe they are everywhere in the state. Deformed frogs have also turned up across Wisconsin and in the St. Lawrence River Valley in Quebec.

The discovery was disturbing, because scientists say frogs serve as a "sentinel species": Many of their metabolic functions — notably in the liver, where a variety of agents are processed out of the body — are similar to the same processes in humans.

Last week, as Minnesota's frogs began heading for their wintering locations on the bottoms of deep lakes and rivers, where they rest atop one another in large piles, the Environmental Protection Agency convened a conference of scientists in Duluth.

Val Beasley, a professor of veterinary medicine at the University of Illinois, told the group of more than 60 researchers what they all already seemed to be thinking.

"Are we concerned about the animals as a monitor of conditions that would cause us concern for humans?" Dr. Beasley asked. "Or are we worried about the animals in and of themselves? I think the answer is that we're worried about both."

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Dow Jones	Trib Index
Up 22.73 5804.90	Up 0.50% 141.17

The Dollar

New York	Tues. close	previous close
DM	1.5263	1.5249
Pound	1.5647	1.5655
Yen	111.435	111.405
FF	5.1685	5.1615

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1160 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Judge Leaves Perot Out of Debates

WASHINGTON (AP) — A federal judge on Tuesday rejected Ross Perot's bid to be included in the presidential debates, ruling that the court lacked jurisdiction over such events.

Judge Thomas F. Hogan of U.S. District Court rejected requests by Mr. Perot's Reform Party and the Natural Law Party for injunctions to force the Presidential Debate Commission to include their candidates in the two televised debates. He said the complaints belonged with the Federal Election Commission.

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Privatizing a Monolith / **Reformers at the Helm**

It's Novice Time in Mongolia

By Seth Faison
New York Times Service

ULAN BATOR, Mongolia — A small man sits in an enormous, wood-paneled office inside the austere and cavernous Government House each morning, a tremendous amount of responsibility suddenly thrust in his hands.

The official, Enkbold, a 30-year-old lawyer, did not have a day of government experience before this summer, when he assumed charge of an ambitious plan to privatize the bulk of Mongolia's industry, residential housing and land, all at once. His graduation from law school, Mr. Enkbold admits, took place only a few months ago.

A remarkably young, inexperienced but determined group of politicians has set up the first non-Communist government in Mongolia in 75 years.

After surprising the governing party with an upset victory in a parliamentary election on June 30, the Democratic Union, as they call their group, has now begun to carry out a detailed plan for radical reform.

"By our contract with the voters, we have to privatize 60 percent of all state property," said Mr. Enkbold, who like many Mongolians uses only one name. "We have to move fast. The longer we wait, the harder it will be."

Contract? Mr. Enkbold smiled. Yes, the idea was taken from the Republican Party in the United States. Like the Republican "Contract With America," Mongolia's "Contract With Voters" promises a slash in government spending, a sharp reduction of aid to the needy and a top-to-bottom transformation of the government.

The difference, Mr. Enkbold said, is obvious: The United States is as big and cash-rich as Mongolia is small and cash-poor, with just 2.4 million people and per capita income of $350 a year. With a government built to survive on Soviet support but no longer getting any, Mongolia is in the midst of a wrenching economic transition where inflation is raging and jobs are disappearing.

Although few politicians here predicted the election results, the consensus in hindsight is that voters were fed up with the Mongolian People's Revolutionary Party, whose formerly Communist leaders clung to power after democracy arrived in 1990 but failed to undertake serious changes.

IN THE ELECTION, where many herdsmen rode horseback for kilometers to vote, a clear majority chose the young and untested democratic opposition, which held just 6 of 76 seats in the previous legislature and said publicly that it hoped to win 15 to 25 seats this year. Instead the bloc won 50 of the 76 seats.

An important tool of the campaign, many politicians agree, was the contract, which sets out more than 200 one-sentence promises. "To ease the burden on taxpayers by 20 to 30 percent" is one pledge; "to support herders' rights to use noncash payment methods" is another.

"It was an important tool to educate voters," said Hashbat Hulan, a newly elected legislator. "People needed to see that a government can be responsive and can be held accountable. In that sense, it worked."

Leaders of the defeated party, whose own pollsters said later that data predicting their loss had been disbelieved and suppressed, handed over the reins of power with little resistance. A 41-year-old man named Enkhsaikhan took office as prime minister in July and got to work.

In his first three months, Mr. Enkhsaikhan and his team have reduced the central government from 13 ministries to 9, drastically raised the prices of many essential goods and begun fiscal reform to avert a collapse of the central bank.

They also dismissed the directors of several state-owned industries without notice one Saturday night in August — an event now referred to jokingly by young democrats, ever aware of U.S. history and President Richard Nixon's desperate moves to retain office, as the Saturday Night Massacre.

With all this sudden change there is a palpable sense of excitement among young people in the new government that they can move Mongolia toward a system characterized by initiative and self-determination, gradually extinguishing the inertia made so prevalent in Soviet times.

"In all of the state's plans, the underlying objective is to encourage people to take charge of their lives, to do something, to get out there and find a way to make money," said Batkhuyag, a senior economic adviser to the prime minister. "Otherwise there are simply no options. It's time to move people, to get them to move on their own and not just sit there and wait for instructions."

At the same time, many members of the new government express amazement that they are in office at all.

MR. ENKBOLD, for one, confessed that he was as surprised as anyone by the election results and daunted by the tasks that followed.

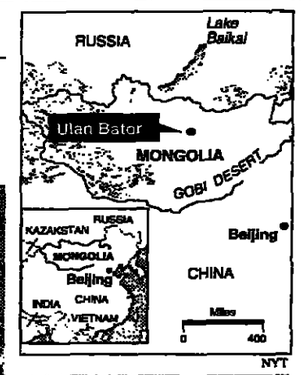
"I remember that night," he said. "I had been planning to go on a long vacation with my family, and when the results came in, I was stunned."

Instead of getting a day off, Mr. Enkbold got what he calls "the job no one else would accept."

As chairman of the State Committee on Property, he oversees the dismantling of empires that Communist bureaucrats had been building for years. He will also oversee the one-time collection of millions of dollars in revenue.

"It's a great amount of responsibility, but when I step down, everyone will hate me," Mr. Enkbold said.

And what qualified him for this huge undertaking? "I'm a millionaire," he said, having worked as a "suitcase trader," or independent businessman, for several years. "No one can bribe me."



Seth Faison/The New York Times

A small man in a big job, Enkbold settling in behind his desk as he prepares to privatize most of Mongolia's state industries and land.

Scientology Is Fighting For Its Future in France

By Barry James
International Herald Tribune

PARIS — The Church of Scientology is battling charges in a Lyon courtroom that it is a manipulative and fraudulent cult that practices false medicine and hounded one of its followers to his death.

The case could derail the sect's campaign to be accepted as a mainstream faith in several European countries. Last week, it began beaming satellite television advertisements to Britain, its biggest recruiting ground in Europe, despite not being recognized there as a bona fide religion. The advertisements stress a single word: "trust."

At the heart of the Lyon case, involving 23 leaders of the cult, is the suicide of a young man who the prosecution contends took his life after the sect harassed him for money to continue a pseudopsychiatric course in "purification."

His was not the only such case, prosecutors say. The suicide of a young man who had turned over everything he owned to the self-styled church prompted a Time magazine cover story in 1991 that the sect has sought to suppress. Last month, a British inquest ruled that a man threw himself to his death off a bridge because of harassment by the group.

In 1988, Patrice Vic woke at 5 A.M., said it was "the only way" and threw himself off the balcony of his 12-story apartment. Prosecutors say the 31-year-old industrial designer had paid thousands of francs to the Lyon Dianetic Center, one of Scientology's subsidiaries, for the group's so-called purification process. Prosecutors said he was under pressure to take out a loan for 30,000 francs ($6,000) to continue the courses. Mr. Vic joined the sect after receiving a brochure through the mail.

Left alone to bring up two children, his widow, Nelly, initiated a civil case against the sect. A tenacious investigating judge, Georges Fenech, has been trying for more than five years to bring the Scientology leaders to trial, in the face of what the French media has described as political pressure and a blizzard of protest messages from sect members around the world.

The French government is wary of cults and is expected to announce new measures to police them for financial and sexual abuses. After the apparent murder-suicide of 16 members of a doomsday cult in the French Alps in December, a parliamentary committee identified 173 sects in France, of which Scientology is one of the most prominent.

Two Scientology members were found guilty in Toulon this month, and are awaiting sentencing, for threatening Jean-Marie Abgrall, a psychiatrist and expert witness in the Lyon trial.

Mr. Vic was one of tens of thousands of people in France who have submitted themselves to an "audit" by the sect, answering intimate questions while attached to a lie detector.

One of the group's teachings is that the evils of the world are caused by the disembodied souls of a lost race of beings who were transported to earth from a galactic federation 75 million years ago. The "audits" are supposed to help disciples "clear" the suppressed memories of these evil spirits.

The treatment also includes sauna baths accompanied by large quantities of vitamins to eliminate purported physical impurities. A key to the prosecution's case is a scientific report that attempts to establish a link between Mr. Vic's death and the treatment he received.

Jean-Jacques Mazier, a real estate investor and the former president of the church in Lyons, is charged with involuntary manslaughter, and others are accused of the illegal practice of medicine — for administering psychiatric and other treatment. Among the defendants is a Roman Catholic priest.

The case is expected to shed light on the complex financial dealings of a sect that also runs a global business empire, has its own cruise liner and sponsors its own race car in the race at Le Mans.

Judge Fenech followed a money trail that led to Scientology's European headquarters in Copenhagen and to banks in Luxembourg. Scientology has conducted a long media campaign against Interpol, which is based in Lyon, after it investigated international money movements connected with the sect.

Experts say the sect, which a British judge once described as "immoral, socially obnoxious, corrupt, sinister and dangerous," has managed to win converts in Europe because of its confident, assertive image and its association with such celebrities as John Travolta, Tom Cruise and Priscilla Presley. The sect's wealth and the extent of its membership are not known. Estimates speak of 40,000 members in France, 100,000 in Britain and 8 million in the world.

In trying to unravel the extent of Scientology's penetration into French life, researchers are stymied by the hydra-headed nature of the organization, which behind its public face conceals an arcane hierarchy and an impenetrable vocabulary of more than 11,000 words. The cult is based on the writings of its founder, L. Ron Hubbard, a science-fiction writer who died in 1986.

U.S. and France Face Off on Control of NATO Southern Command

By Joseph Fitchett
International Herald Tribune

PARIS — The United States and France are locked in a dispute about continued U.S. control of NATO's southern headquarters in Naples — a post that involves command of the U.S. 6th Fleet in the Mediterranean and has always been held by an American admiral.

It is the first showdown between Washington and Paris about the future of the North Atlantic Treaty Organization since France announced last year that it intended to resume a military role in the alliance on the condition that the chain of command was modified to provide a larger European role.

To achieve that, Paris says, the Naples post should rotate among France, Italy and Spain. But the United States appears determined to refuse any concession about the Naples post.

Calling it "a bridge too far" in French ambitions to capture the leading European role in the alliance, a Clinton administration official said Tuesday that the issue could block changes designed to adapt NATO to the security needs of Europe after the Cold War. Those reforms are to be unveiled at a NATO ministerial meeting in December.

The issue crystallized, suddenly and apparently unexpectedly, in a letter in August from President Jacques Chirac to President Bill Clinton about NATO reform and enlargement. A Clinton aide said that the White House "replied positively on every point except one — Naples." The standoff continued at a meeting of allied defense ministers in Bergen, Norway, described by a German participant as "otherwise euphoric" about NATO's future.

In a key breakthrough, Washington has agreed to the creation of a new post — deputy to NATO's supreme commander — whose occupant will be a European in charge of planning, and possibly commanding, missions undertaken by NATO forces drawn only from the alliance's European members.

The Naples command will become more important in a restructured NATO in which the current three regional commands are to be streamlined under two headquarters, one on each side of the Alps: Naples in the south and another in the north, perhaps in the Netherlands, now home of a regional headquarters.

Any NATO mission short of war will be run by one of these two regional commands. Paris wants both of them run by Europeans, and predominantly French officers, since France aspires to be the only ally eligible for turns holding the top slots in both headquarters.

U.S. officials contend that French concerns can be met by putting any all-European mission under the new deputy to the supreme commander. Since Mr. Chirac faces no domestic political pressures over the NATO question, U.S. officials said that they expect France to accept the overall package — without a U.S. compromise on Naples.

U.S. officials said that Washington had already made a major concession in approving the creation of the deputy commander's post, which will promote European defense cooperation in peacetime and enable Europeans to undertake missions without American ground troops but using U.S. military assets such as transport aircraft.

With such changes on offer, U.S. officials said, French demands about the Naples slot have become a potential deal-breaker for the restructuring of NATO's commands. French officials have hinted that France, if disappointed, could reconsider its plan to resume a military role in NATO.

Eager as Washington, Bonn and other allied capitals are for French participation, the Clinton administration presents the loss of the Naples command as a move liable to jeopardize long-term U.S. commitments in Europe.

As a Clinton aide put it: "Does anyone really believe that the U.S. Congress would continue support for a NATO alliance in which the United States had no operational command in Europe?"

The supreme commander — always an American — exercises broad authority, but operations of ground, sea and air forces are handled through subordinates such as the commander in Naples. As often is the case with top NATO posts, the Naples commander has both U.S. and NATO roles. The 6th Fleet is the major U.S. military arm in a theater involving Israel and access to the Gulf. At the same time, the Naples commander currently has responsibility for NATO operations in Bosnia.

With U.S. forces in Europe more likely to be deployed in areas such as the Balkans and the Middle East, Defense Secretary William Perry said last weekend that "it makes military sense to put an American commander in charge."

Mr. Perry said he had told the French defense minister, Charles Millon, that Washington was "inflexible" about the Naples post because the most powerful forces in the area were American.

TRAVEL UPDATE

France to Cut Back Expansion of TGV

PARIS (AFP) — France is to scale back a timetable for developing its TGV high-speed train network over the next two decades because of financial constraints, Transport Minister Anne-Marie Idrac said Tuesday.

She said the original plans, for the next 20 to 25 years, had been based on budget estimates that were not "realistic."

"This is not the kind of project that can be completed in 10 years. This is a project for a generation," she said, adding that the government would have to revise its plans.

Strike Threat in Italy

ROME (AP) — Labor unions representing 120,000 transit workers threatened a national strike for Wednesday.

The stoppage was tentatively set for 8:30 A.M. to 12:30 P.M, though hours may vary from city to city. It would involve trams, subways, local trains and ferries and buses.

KLM Royal Dutch Airlines said it plans to add an extra weekly flight to Nairobi from Amsterdam, starting Nov. 22. *(AP)*

The bloody clashes last week between Palestinians and Israeli soldiers have caused a halt in tourist reservations, the Tourism Ministry said. *(Reuters)*

Britain Outlaws Child-Sex Tours

Reuters

LONDON — A bill making it illegal for Britons to organize pedophile holidays abroad became law Tuesday, and offenders could face life imprisonment.

"These people defile children and bring shame on this country, and the full force of the law must be used," said Timothy Kirkhope of the Home Office. The government has said it also will submit a bill authorizing prosecution of sex tourists upon their return to Britain.

The IHT Pocket Diary Puts 1997 Right Into Your Pocket.

Year after year — even at a period when diaries abound — the International Herald Tribune flat, silk-grain leather diary is the hit of the season.

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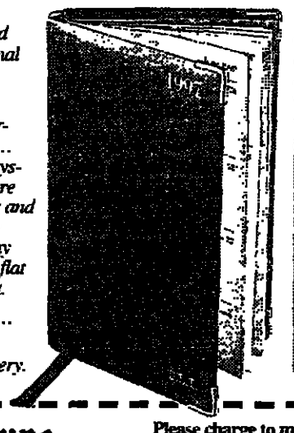

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WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
Windy and cold in New England Thursday with some showers, then partly sunny, dry and cool. The West will be dry and warm with sunshine. Dry with sun in the Plains and Midwest; the northern Plains will have a hard freeze. Partly sunny in the Northeast with cool afternoons.

Europe
Windy and cool Thursday and Friday across England and the Netherlands, but Saturday will be milder with some sun. Poland on east to Moscow will be mild and dry with plenty of sun through the period. Cool with a few showers in Rome, but Athens will be mostly sunny and nice.

Asia
Cloudy and cool with rain in Tokyo Thursday and Friday, then some sun returns Saturday. Beijing will be partly to mostly sunny, dry and warm through the period. Plenty of sunshine in Shanghai, but Hong Kong will have clouds and sun with a shower or two. Bangkok may have heavy rains.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	23/73	17/62 s	27/80	16/64 r
Amsterdam	12/53	7/44 c	18/64	9/48 s
Ankara	25/73	4/39 pc	24/75	9/48 pc
Athens	23/73	17/62 pc	28/79	15/59 pc
Barcelona	17/62	12/53 s	22/71	10/50 s
Belgrade	22/71	11/52 pc	18/64	4/39 r
Berlin	15/59	5/41 r	14/57	10/50 s
Brussels	12/53	7/44 r	18/66	13/55 s
Budapest	20/68	12/53 r	17/62	6/43 r
Copenhagen	12/53	5/41 pc	13/55	12/53 s
Costa Del Sol	23/73	15/59 s	27/80	16/64 pc
Dublin	16/61	14/57 pc	18/64	7/64 pc
Edinburgh	14/57	12/53 c	18/64	5/41 pc
Florence	17/62	8/46 r	16/61	11/52 pc
Frankfurt	17/62	8/46 r	14/57	6/43 s
Geneva	9/48	4/39 r	17/62	11/52 s
Helsinki	12/53	4/39 c	10/50	4/39 pc
Istanbul	21/70	14/57 pc	25/77	16/61 pc
Las Palmas	28/82	21/70 s	28/82	22/71 r
Lisbon	21/70	16/61 s	24/75	17/62 pc
London	15/59	10/50 pc	22/71	13/55 s
Madrid	23/73	9/48 s	26/79	13/55 pc
Mallorca	18/61	12/53 s	21/70	17/62 s
Milan	17/62	8/43 c	17/62	13/55 pc
Moscow	16/61	12/53 r	16/61	7/44 pc
Munich	11/52	2/35 r	12/53	7/44 s
Nice	18/64	9/48 s	19/66	16/61 s
Oslo	11/52	3/37 pc	13/55	8/46 s
Paris	13/55	6/43 c	19/66	12/53 s
Prague	16/61	6/43 s	14/57	9/43 s
Reykjavik	9/48	5/41 r	8/43	2/35 r
Rome	22/71	10/50 sh	17/62	11/52 pc
St. Petersburg	12/53	8/46 r	10/50	4/39 pc
Stockholm	12/53	4/39 pc	10/50	7/44 s
Strasbourg	12/53	4/39 r	17/62	11/52 s
Tallinn	12/53	4/39 c	10/50	4/39 pc
Venice	17/62	8/46 r	14/57	11/52 pc
Vienna	16/61	8/46 r	13/55	6/43 pc
Warsaw	21/70	5/41 pc	12/53	3/37 pc
Zurich	11/52	4/39 r	14/57	11/52 s

Middle East

Abu Dhabi	37/98	22/71 s	36/97	22/71 r
Beirut	23/84	22/71 s	29/84	23/71 pc
Cairo	36/102	23/73 s	33/91	21/70 pc
Damascus	34/93	14/57 s	30/86	16/61 pc
Jerusalem	31/88	16/61 s	28/82	15/61 pc
Luxor	43/109	19/66 s	38/100	20/68 pc
Riyadh	41/106	22/71 s	38/100	23/73 pc

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	4/39	-4/25 sn	5/41	-2/28 r
Atlanta	28/79	16/64 t	26/79	18/61 c
Boston	20/68	15/59 pc	19/66	10/50 c
Chicago	22/71	4/39 pc	18/64	11/52 pc
Dallas	33/91	17/62 s	27/80	13/55 pc
Denver	17/62	5/41 pc	19/66	6/43 pc
Detroit	22/71	8/46 pc	18/64	6/43 pc
Honolulu	32/89	24/75 pc	32/91	24/75 pc
Houston	33/91	19/66 pc	31/88	16/64 pc
Los Angeles	27/80	18/64 s	28/82	19/66 pc
Miami	31/88	24/75 pc	30/86	24/75 pc
Minneapolis	14/57	-1/31 pc	13/55	6/43 pc
Montreal	19/66	8/46 pc	18/64	6/43 c
Nassau	31/88	23/73 pc	31/88	23/73 pc
New York	22/71	17/62 pc	19/66	11/52 r
Orlando	31/88	21/70 pc	32/89	22/71 t
Phoenix	38/97	21/70 s	35/95	22/71 s
San Fran.	22/73	13/55 s	23/73	14/57 pc
Seattle	19/66	9/48 pc	18/66	12/53 pc
Toronto	21/70	10/50 c	17/62	6/43 pc
Vancouver	16/66	10/50 pc	19/66	11/52 pc
Washington	21/70	18/61 c	20/68	11/52 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	31/88	22/71 c	32/89	22/71 pc
Bangkok	32/89	24/75 sh	33/91	25/77 s
Beijing	29/77	12/53 r	24/75	16/61 s
Bombay	31/88	24/75 c	32/89	24/75 pc
Calcutta	31/88	24/75 c	32/89	24/75 c
Chiang Mai	31/88	22/71 t	33/91	24/75 c
Colombo	27/80	24/75 t	29/84	24/75 pc
Hanoi	31/88	24/75 pc	31/88	25/77 pc
Ho Chi Minh	31/88	24/75 t	33/88	28/79 pc
Hong Kong	28/82	23/73 pc	28/82	24/75 pc
Islamabad	39/102	21/70 s	31/88	15/59 r
Jakarta	31/88	24/75 r	32/89	23/73 pc
Karachi	39/100	24/75 s	34/93	23/73 pc
K. Lumpur	32/89	23/73 t	30/86	24/75 pc
K. Kinabalu	31/88	22/71 t	30/86	22/71 c
Manila	32/89	24/75 t	31/88	24/75 pc
New Delhi	37/98	24/75 s	33/91	20/68 t
Phnom Penh	29/84	23/73 sh	31/88	23/73 pc
Phuket	33/88	24/75 sh	30/91	25/77 c
Rangoon	30/86	24/75 sh	28/91	26/79 c
Seoul	24/75	13/55 pc	21/70	12/53 s
Shanghai	24/75	17/62 pc	23/73	17/62 s
Singapore	31/88	22/71 t	31/88	23/73 c
Taipei	27/80	21/70 pc	27/80	22/71 pc
Tokyo	22/71	13/55 pc	22/71	16/61 pc
Vientiane	29/84	24/75 pc	31/88	25/77 pc

Africa

Algiers	28/79	14/57 pc	27/80	17/62 pc
Cape Town	14/57	3/37 pc	14/57	5/41 pc
Casablanca	24/75	18/64 s	27/80	19/66 c
Harare	25/77	14/57 r	27/80	13/55 sc
Lagos	29/84	22/71 pc	29/84	23/73 pc
Nairobi	29/82	12/53 pc	29/82	13/55 pc
Tunis	31/88	15/59 s	25/77	16/61 s

Latin America

Buenos Aires	27/80	15/59 pc	29/79	15/59 pc
Caracas	29/84	25/77 pc	31/91	25/77 pc
Lima	21/70	15/59 pc	21/70	15/59 pc
Mexico City	21/70	14/57 c	25/77	14/57 pc
Rio de Janeiro	23/73	17/62 pc	23/73	17/62 pc
Santiago	24/75	9/48 s	21/70	5/41 pc

Oceania

Auckland	19/66	12/53 pc	17/62	11/52 s
Sydney	18/64	12/53 pc	19/66	11/52 pc

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THE AMERICAS

How the West Will Be Won? Economy Favors Clinton

By B. Drummond Ayres Jr.
New York Times Service

LOS ANGELES — George Bush fared poorly against Bill Clinton in the West in the 1992 presidential campaign and four years later, Bob Dole is struggling to head off a similar debacle, especially in California.

With Election Day five weeks away, most voters living in the great swath of America that stretches from the high Rockies to the surf of Hawaii seem reasonably satisfied with their lot at this point, particularly with the way the western economy has recovered.

Because of that, pollsters and analysts say, voters appear to be poised, unless the political situation changes, to give Mr. Clinton most of the region's 119 electoral college votes, nearly half of the 270 electoral votes he needs to win a second term.

If that happens, the 13 states of the West, a mostly Republican, conservative stronghold in presidential elections until 1992, could be on their way to becoming a solid part of the Democratic base in election years to come.

The latest round of polls show that only voters living in sparsely populated Alaska, Wyoming, Idaho and Utah seem firmly committed to Mr. Dole at this juncture. And those states, less homogenized and less affected by outside forces than many other western states, account for just 15 electoral votes. Nevada, with 5 electoral votes, is rated a toss-up.

But pollsters report that Mr. Clinton leads Mr. Dole in California, with its 54 electoral votes, as well as in Montana, Colorado, New Mexico, Washington, Oregon, Hawaii and, most surprising of all, Arizona, which last voted for a Democratic president in 1948. In many of those states, including California, the president's lead is in the comfortable range of a dozen or more percentage points.

Voters appear to be poised, unless the political situation changes, to give President Clinton most of the West's 119 electoral college votes, nearly half of the 270 he needs to win a second term.

Mr. Clinton carried 8 western states in 1992, an early sign that the growing and urbanizing region — 9 out of 10 Coloradans now live in cities — was beginning to loose itself somewhat from its traditional conservative moorings. Analysts say Mr. Clinton could win in the West by much larger margins this year.

Ross Perot, who ran strongly as an independent in many western states in 1992, is hardly showing any poll strength this year. In Utah, where he captured almost 30 percent of the vote four years ago, helping to put Mr. Clinton into a politically embarrassing third-place finish, he is now running third, supported by only 5 percent of those polled.

"We feel especially confident about the West this year," said Douglas Sosnik, the White House director of political affairs. "It's now a major part of our base, particularly California and the Pacific Northwest. We're also more than competitive now in the Rockies. As with the rest of the country, people in the West just can't see much reason to vote for Bob Dole, not when Bill Clinton has both the economy and his legislative agenda on the move."

The evidence of the president's strength and Mr. Dole's weakness in the West can perhaps best be seen in the weekly compilations of polls from around the country put together by The Hotline, a national political newsletter. Most of the polls cited are done by independent survey organizations for news outlets.

The Clinton campaign managers, viewing the California polls, are so confident of victory that they have scaled back on buying television time in the state. Mr. Clinton has already put much time into California, visiting it 27 times in the last four years, and he has always said he must win here to be re-elected, given Republican inroads in the once solidly Democratic South.

"We don't see Dole closing in any of our polls, so we're not going to spend money we don't have to spend," said Bill Carrick, a top Clinton strategist from Los Angeles.

"If Dole begins to move, then we'll begin to spend and counter," he added. "But we don't think a candidate who is pro-tobacco, anti-abortion, loves assault rifles and really doesn't spend any time in the region is ever going to move very much, not in California and not in much of the rest of the West as it exists today."

A veteran Republican analyst and consultant from Sacramento, Tony Quinn, is not sanguine about Mr. Dole's chances.

"The problem is, ultimately, that Bob Dole just can't seem to connect with people out here in the West, particularly Californians," he said. "He's just not one of us, not of us.

"And on top of that, he's competing with a guy who not only has a good economy going for him but who's been out here in this state two dozen times or more, dumping federal largesse everywhere there's been an earthquake or fire or closed defense plant," he said.

Mr. Quinn sees a strong possibility that Mr. Dole will not only lose in California and much of the West but also truncate his campaign in some states, leaving other Republican candidates on their own. "There very well could be a big voter turnout problem for the party before this is all over," he said.

Elsewhere in much of the West, analysts and poll takers, both independent and partisan, say Mr. Clinton's strength is high.

"Bill Clinton is more popular in the Northwest — Washington and Oregon — than he was 2 years ago, 12 months ago, or even 6 months ago," said Tim Hibbitts, a Portland pollster.

"He's helped a lot by the lack of a strong opponent in Bob Dole and also by Dole's ties to congressional Republicans who are viewed as too extreme."

ELECTION NOTES

A Clash of Styles on the Stump

WASHINGTON — Elizabeth Dole tirelessly invokes the name of the man whose job her husband wants. She calls President Bill Clinton every name that Bob Dole calls him — the epithet of the moment being "liberal."

At a morning rally in North Carolina last week, she tried to paint Mr. Clinton as an untrustworthy, tax-raising, big-spending, soft-on-drugs vacillator. Her husband, the Republican candidate, is a better man, she said, because he is "a workhorse, not a show horse."

Hillary Rodham Clinton, by contrast, presides over campaign seminars, not campaign rallies. For Mrs. Clinton, the gaudy greasepaint of presidential politics has been thoroughly sanitized. There are no balloons, no loud music and no cries for Republican blood.

Instead, sensible folk talk parenting with an attentive politician's wife who wears pastel colors and makes pronouncements such as this: "As I look around our country today, I am struck by how hopeful and positive the mood is."

The roles the two women are performing on the campaign trail are tailored to their popularity and credibility, as well as to their husbands' standings in the polls. Mrs. Clinton is the concerned mother insisting that family issues should be above the crass considerations of politics. Her role allows her to speak to women without annoying men and without stepping on her husband's message.

With far higher approval numbers, Mrs. Dole does as much heavy lifting as she can in her husband's struggling campaign. Mixing a sugary Southern smile with a sharp partisan bite, she jets between battleground states, hitting her stump speech three or four times a day. *(WP)*

Costly Independent Counsels

WASHINGTON — In less than two years, the independent counsels investigating President Clinton and his administration have spent more than $23 million, nearly $8 million of that from the end of September 1995 to the end of last March, according to a report by the General Accounting Office.

Kenneth Starr, the independent counsel investigating the Whitewater affair, continues to lead the way, spending $3,667,018 in taxpayer funds in the six-month period ending March 31, and $17,249,083 since his investigation began in August 1994.

Donald Smaltz spent $2,472,008 in the six months ending March 31, and has spent $5,846,202 in his two-year investigation of allegations that a former agriculture secretary, Mike Espy, accepted illegal gifts.

"It's shocking to see the numbers," said Representative Martin T. Meehan, Democrat of Massachusetts. "It confirms what I suspected to begin with. These special independent counsels have turned into a boondoggle."

Some Republicans are just as concerned. "It's a very expensive creature that Congress has created," said Bob Brooks, chief of staff to Representative Jay Dickey, an Arkansas Republican who tried unsuccessfully to get a bill passed this year that would have forced independent counsels to submit budgets if their inquiries lasted more than two years.

A former independent counsel, Joseph E. diGenova, another Republican, agreed. "All of this argues for the reining in of the statute," he said. "It is a miserable piece of legislation, absolutely miserable."

One reason the costs are high, Mr. diGenova said, is that no other administration has been under so many simultaneous investigations. But the bigger issue, he said, is that the law is so easy to trigger, allowing the attorney general to seek appointment of an independent counsel to avoid political criticism. The law should be used only during a "constitutional crisis" when the Justice Department clearly cannot handle an investigation, he said. *(WP)*

Quote/Unquote

Ross Perot, on his legal challenge of the decision to bar him from the presidential debates: "It's kind of hard to compete if you're not in the game. I never thought I'd live to see free speech throttled in the U.S.A." *(AP)*

California Bars Goods Produced in Labor Camps

Los Angeles Times Service

LOS ANGELES — Governor Pete Wilson has signed a law making California the first state to prohibit the purchase of goods produced in labor camps in China and other nations.

The law is regarded mainly as a symbolic measure but also as a potential economic weapon. The human rights activist Harry Wu, who spent 19 years as a political prisoner in Chinese labor camps, was one of those who lobbied for its passage.

Although it applies solely to purchases by the state government, the law signed Monday is intended to build economic pressure against exploitative foreign factories in such countries as Brazil, India and Pakistan, as well as China.

It also is expected to galvanize existing efforts to pass similar statutes in such states as New York and Massachusetts.

In a statement Monday, Mr. Wilson said: "These violations of humanity will not be tolerated. If you do business with a company that uses child or slave labor, you will not do business with the state of California."

The principal author of the bill, Assemblywoman Liz Figueroa, represents the Milpitas district where Mr. Wu, a naturalized U.S. citizen, now lives. Ms. Figueroa said she felt it was important for the state to express its support for Mr. Wu's human rights campaign, while protecting California workers from unfair competition from cheap labor-camp goods.

But a spokesman at China's consulate in San Francisco, Wang Yusheng, said accusations that his nation exports products made by prisoners were "groundless."

"China strictly prohibits the export of products made by prison labor," he said, by virtue of a longtime agreement with the United States.

The bill, approved overwhelmingly by the state Assembly and Senate, prohibits the state from buying foreign-produced equipment, supplies or any other materials made by "convict, forced or indentured labor."

Contractors that "knew or should have known" that goods furnished to California were produced by such labor could have their deals voided by the state.

Supporters of the law said they had no estimate of what fraction of the state's $4 billion annual purchasing budget is spent on goods produced in China or other foreign nations.

Public works contracts were excluded from the bill, to head off opposition from critics worried that minor violations would substantially drive up the cost of construction programs.

The measure is to take effect Jan. 1.

AMERICAN TOPICS

New Box on Census Forms?

U.S. Census forms allow respondents to describe themselves as black, white, Asian or Pacific Islander, American Indian or Alaskan native, or other. In 1990, nearly 10 million people, 4 percent of the population, checked other, a 45 percent increase from 1980, The Boston Globe reports.

Many of these others are people of mixed ethnicity, some of whom might once have been considered black on the basis of even a tiny proportion of African American blood. But recognition of racial complexity has been growing, with people like the young golfer Tiger Woods, who has a black father and an Asian mother, loath to classify himself simply as black.

For the first time, the number of children born to parents of different races in the United States is growing faster than the number born to same-race couples. About 2 million multiracial children were counted in the 1990 census, and the number is rising rapidly.

Against this background, there is a move to have the Census Bureau add a multiracial category to its survey forms. Many minority groups oppose such a move, saying the creation of a new category could dilute their own identity and political strength. A decision is due early next year.

Short Takes

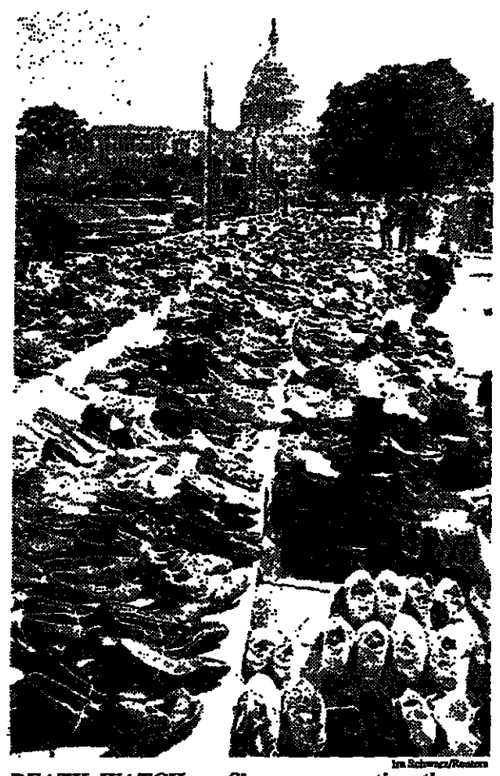
Some have called Dallas's newest tourist attraction sick, but that has not dampened its success. For $25, Paul Crute will drive you in an open-top black limousine along the route President John F. Kennedy was following on Nov. 22, 1963, when he was assassinated.

The passenger hears, on a tape, the crack of rifle fire as the car passes the Texas School Book Depository. A radio announcer pauses, and then says, "It appears as though something has happened in the motorcade route." The limousine then speeds up and rushes toward Parkland Memorial Hospital, where President Kennedy was taken.

The Kennedy assassination and the Watergate affair fueled a cottage industry in conspiracy theorizing, and it still flourishes. At least four fall television series have conspiracies at the hearts of their plots. The Internet helps keep such theories alive, buzzing as it is with sinister and sometimes serious speculation about plots to subvert democracy, hide flying saucers or withhold vital information from the public.

Science You Can Use Department: Researchers at the University of California at Davis say that chocolate and red wine may form a potent antidote to clogging of the arteries by low-density lipoproteins, the so-called bad cholesterol. Living healthily has just gotten a lot easier.

International Herald Tribune



Ina Schwarz/Reuters

DEATH WATCH — Shoes representing the estimated 40,000 gun-related deaths in the United States each year lining a street near the Capitol as part of a demonstration against guns and violence.

Congress and Clinton Hash Out Spending and Immigration Bills

Senate Jumps on the Budget Bandwagon

By Jerry Gray
New York Times Service

WASHINGTON — The Senate has passed a catchall, end-of-session bill that includes nearly $400 billion in military and domestic budget appropriations for 1997, $30 billion in savings and a hodgepodge of other legislation.

The 84-to-15 vote, only hours before the next budget year began at 12:01 A.M. Tuesday, means federal agencies will have the money they need to operate for the next year, without the shutdowns that interrupted many agencies last year and won Republicans the enmity of many voters.

Democrats crowed that Republican reluctance to force another impasse led them to give way to many of their spending requests.

The House voted 370 to 37 late Saturday to approve the package, known as an omnibus bill, and then adjourned.

The Senate had expected to follow House members out to the campaign trail after voting on the budget package. But senators became bogged down Monday in fights over a parks and public-lands bill and one to reauthorize the Federal Aviation Administration.

They put those squabbles aside temporarily to approve the budget, however. While the Republican majority got its way on the overall size of the budget, the Clinton administration was able to force congressional leaders to retreat on some immigration issues, which were also a part of the bill, and on cuts to some of the president's favorite programs.

The White House has said President Bill Clinton will sign the bill, and the administration wasted little time Monday in trying to build political capital on the legislation.

"It's clearly a victory for the president and the priorities that he has been fighting for four years," said Leon Panetta, White House chief of staff.

Mr. Panetta took the occasion to fire a political broadside at Bob Dole, the Republican candidate for president and former Senate majority leader. Asked if he thought Republicans and the White House would have come to an agreement as easily if Mr. Dole were still majority leader, he replied: "I'll let the American people make that judgment. It is pretty clear that when Bob Dole did leave we were able to make some very successful efforts."

The Republicans fired their own shots in a statement from the Senate Republican Policy Committee.

Noting that Republicans had cut $53 billion from discretionary spending in the 1996 and 1997 budgets, they accused Mr. Clinton and the Democrats of standing in the way of even deeper cuts from mandatory spending, which accounts for about two-thirds of the federal budget.

"President Clinton and his party in Congress have refused for four years to make or allow others to make those needed changes that could balance the federal budget for the first time in a generation," the Republicans said. "If President Clinton would agree to allow the federal budget to be balanced, Congress could still do it next year."

New Law Toughens Curbs on Aliens

Washington Post Service

WASHINGTON — After protracted infighting among Republicans and intensive last-minute wrangling between congressional Republicans and the White House, Congress has sent to the president an immigration bill that tries to clamp off the influx of illegal aliens but stops short of significant changes on legal immigration and access to federal benefits.

The legislation, which President Bill Clinton signed Monday night, was hailed by backers as the toughest bill to control illegal immigration in a generation.

It is intended to respond to a public backlash against America's growing population of illegal residents. With more than 4 million illegal immigrants in the United States and an estimated 300,000 unauthorized newcomers joining them annually, a political consensus has emerged on the need to restrict that flow. But bitter divisions remain on the costs and benefits of legal immigration.

The bill is aimed at beefing up the Border Patrol along the 2,000-mile (3,200-kilometer) frontier with Mexico, toughening penalties for alien-smuggling and document fraud, expediting the removal of criminal aliens and phony asylum-seekers, holding the sponsors of legal immigrants accountable for people they bring in and initiating pilot programs to weed out illegal aliens from workplaces.

Mr. Clinton, who threatened to veto an earlier version of the bill, signed it as part of a major appropriations package.

Republicans and Democrats generally lauded the immigration legislation, seeking to put the best face on the concessions that each side was obliged to make to get a bill through by the end of the Senate's session.

But the result left Democrats complaining that some provisions still treat newcomers, especially refugees, too harshly, while coddling employers who hire illegal workers. Republicans charged that the bill fails to curb what they say is continuing misuse of federal and state programs.

Both sides vowed to try again next year.

Away From Politics

Nearly a fifth of Chicago's schools have been placed on academic probation because 85 percent or more of their students scored below the national average on standardized tests. The school district is the third largest in the United States. *(AP)*

Public playgrounds nationwide have been painted with lead-based paint and may be hazardous to children, the government said. The Consumer Product Safety Commission tested paint from 26 playgrounds in 13 cities; of those, 16 playgrounds in 11 cities had dangerously high levels of lead. *(AP)*

NASA has begun the formal transfer of many space shuttle operations to a private venture, a move it announced last year. At a ceremony at Johnson Space Center in Houston, the NASA administrator, Daniel Goldin, announced the signing of a $7 billion, six-year contract with United Space Alliance, a joint venture of Rockwell International Corp. and Lockheed Martin Corp. *(NYT)*

Harvard University was fined $775,000 and accused of running its pharmacy so poorly that prescription drugs were stolen, improperly stored and inaccurately counted. Harvard's University Health Services operates a pharmacy that dispenses about 75,000 prescriptions a year for Harvard students, faculty and staff. *(AP)*

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Kabul's New Rulers Show a Kinder Face

Taleban, Seeking Aid, Vows 'Friendly' Relations With U.S. and Neighbors

By John F. Burns
New York Times Service

KABUL — After a harsh beginning that included hanging the corpse of the country's last Communist president in a public square, Afghanistan's new Muslim fundamentalist government set out Tuesday to present a more congenial image to the world, and in particular to the United States.

A senior official said at a news conference that the Taleban religious movement, whose troops overran Kabul last week, wanted what he called "friendly and good relations" with the United States, and that the new government would welcome American aid in rebuilding the country after years of warfare. He also ruled out backing from the new government for international terrorism of the kind that has been associated with some Islamic fundamentalist groups, and said Taleban would not seek to spread its fundamentalist creed to Muslim countries, including Pakistan, which neighbors Afghanistan.

"Regarding international terrorism, we are totally against that," said Mohammed Stanakzai, who holds the position of deputy foreign minister in the provisional government established by Taleban.

In what appeared to be a reference to American requests to Taleban for cooperation in closing down terrorist training camps that have been operating in parts of Afghanistan that Taleban forces had captured previous to the fall of Kabul, Mr. Stanakzai added, "If people who are considering making trouble come into our hands, we will punish them."

The conciliatory remarks at the news conference here appeared calculated to allay some of the disquiet prompted when Taleban began its rule in Kabul last Thursday night by pulling the former president, Major General Najibullah, from his sanctuary in a United Nations compound, torturing and shooting him, then hanging him with his brother from a gantry in a Kabul square. The new government then issued a string of Islamic decrees aimed at uprooting much of the easygoing lifestyle of Kabul, a capital city that has for decades been a more freewheeling place by far than most of this deeply conservative Muslim country.

Among other things, women were forbidden to work or to appear outside their homes without head-to-toe covering, including the lace hoods called *burqas* that conservative Afghan women have traditionally worn. Schools for girls were closed, and an Islamic criminal code proclaimed that provides for adulterers and drug traffickers to be stoned to death, and thieves to have their hands and feet amputated.

The news conference suggested that there has been at least a tactical shift by the Muslim clerics who hold all six seats on the six-man *shura*, or ruling council, that heads Taleban's transitional government. Although Taleban has enforced a harsh fundamentalist regime in every other area they control, some Afghans believe that it may be wary of going too far in Kabul, where harsh measures could provoke resistance among the population of more than a million. As well, these Afghans say, Taleban realizes that its main task will be to rebuild Afghanistan after nearly two decades of war, and that for this it will need large amounts of foreign aid, most of it from Western counties.

Mr. Stanakzai, the 37-year-old official who met reporters at the Foreign Ministry, admonished reporters for what he described as "big rumors" being spread in the West about Taleban intolerance.

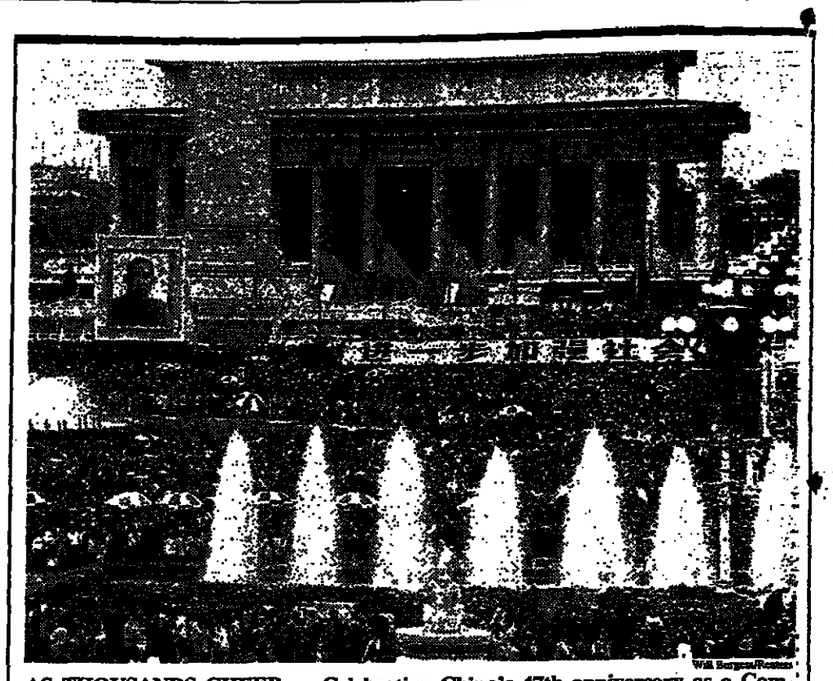
Referring to the Taleban decrees ordering women in Kabul to stay away from work and closing girls' schools in the capital, he said both were temporary measures while Taleban worked out "regulations" that would permit women to work and girls to go to school under conditions that would be consistent with Muslim principles.

He said these new arrangements might "take some time," but that in the meantime women working as doctors and nurses had been granted exemptions from the decree, and all women holding government jobs had been guaranteed payment of their salaries while they remained at home. Muslim scholars said that Taleban appeared to heading for a system under which women and girls outside their homes will be strictly segregated from men. Pressure for the new arrangements is likely to mount rapidly, as there are an estimated 30,000 women in Kabul alone, mainly war widows, who are the sole support for their families.

The olive branch the Taleban official extended to the United States appeared aimed at quieting concerns that Taleban could eventually become as hostile to the United States as Iran's ayatollahs, who established similarly hard-line Islamic rule after they took power in 1979. Taleban members, who like most Afghans are Sunni Muslims, have been strongly opposed by Iran, whose leaders belong to the rival Shiite sect of Islam, but the days since Taleban's seizure of Kabul have been marked by diplomatic meetings in Kabul and conciliatory messages between Kabul and Tehran that have appeared to somewhat ease the tensions.

Concerns about Taleban rule here have also been voiced by Russia and the newly independent Muslim states that act as a buffer between Russia and Afghanistan, including Tajikistan, Turkmenistan and Uzbekistan, which have concerns about the potential rise of Islamic fundamentalism among their own populations. But Mr. Stanakzai said that Taleban had no wish to influence Afghanistan's neighbors.

"We do not want to end people to make trouble in other countries, and we expect the same from them," he said.



Will Burgess/Reuters

AS THOUSANDS CHEER — Celebrating China's 47th anniversary as a Communist state, throngs packed Tiananmen Square on Tuesday. A giant portrait of Sun Yat Sen, the republic's founder in 1911, gazed out from a place of honor.

BRIEFLY ASIA

Seoul to Build Up Its Military And Rethink Aid to the North

SEOUL — South Korea will build up its armed forces and reconsider all aid to North Korea following the infiltration of agents from a stranded submarine, the president said Tuesday.

President Kim Young Sam said the incursion is proof that North Korea's 1.1 million-strong military is growing impatient to fulfill its long-standing aim of dominating the South by force.

"North Korea is repaying the Republic of Korea's support for the North Korean people, extended out of warm brotherly love, with military provocations," Mr. Kim said. South Korea gave 150,000 tons of rice last year to help North Korea, hard hit by flooding in 1995.

South Korea says the submarine was spying on its roads and airfields, but North Korea insists the vessel strayed across the border after suffering engine trouble during a routine training mission. *(AP)*

Burma Frees 88 Detainees

RANGOON — Burma's military government said Tuesday it had released 88 of the 559 supporters of Daw Aung San Suu Kyi's National League for Democracy party who had been held since Thursday, but roadblocks around her house remained in place.

"Eighty-eight of the persons called for questioning at the Guest House have returned home by this evening," a statement issued by the Burmese Embassy in Bangkok said. *(Reuters)*

New Zealand Makes Amends

WELLINGTON — In a formal apology for misdeeds 131 years ago, the government agreed Tuesday to pay a Maori tribe $27.6 million for the occupation of its land and the hanging of its chief.

Prime Minister Jim Bolger and elders of the Whakatohea tribe signed the settlement Tuesday in Parliament as about 200 tribal members looked on.

In 1865, British colonizers confiscated land on North Island from the tribe, which was accused of murdering a German missionary. The tribe's paramount chief, Mokomoko, and two other Maori men were executed. *(AP)*

'Undecided' Tops Japan Poll

TOKYO — Three weeks before Japanese general elections, more voters are uncommitted than support the most popular party, a newspaper survey showed Tuesday.

Thirty-one percent of voters said they favored no political party in the Oct. 20 elections, against 28 percent expressing support for the Liberal Democratic Party. Nine percent favored the Democratic Party, a bloc formed over the weekend, and the New Frontier Party polled 7 percent. *(Reuters)*

INDONESIA: *Middle Class Shuns Reform*

Continued from Page 1

are captives of this metropolitan superculture. They want to build up a sound monetary nest."

On July 27, when a riot erupted in one of Jakarta's main commercial districts, it exposed the deep social divisions between those few Indonesians who have benefited from the steady growth of the last two decades and the masses of unemployed and disaffected young people left behind.

The rioters mainly vented their rage against the government of President Suharto, 75, the former general who has kept a tight grip on politics since President Sukarno was overthrown in 1965. Many analysts said at the time that the riot — the most destructive in recent memory — might mark the beginning of the kind of "people power" protest movement that toppled entrenched military-authoritarian regimes in the Philippines in 1986, South Korea a year later and in Thailand in May 1992.

But in those upheavals, the "cellphone elite" joined forces with workers, students and others advocating change and pushed their countries toward democracy.

In Indonesia, where the middle class seems far more complacent, there have been no signs of any such cooperation. When the army cracked down on the protesters, there was hardly a peep from middle-class residents — except for the collective sigh of relief that the turmoil was contained before it took a further toll on the country's stock market and currency exchange rates.

"We're from the middle class, our jobs are secure, we are better educated — we have too much at risk," said Sentot E. Baskoro, 27, a marketing manager for an Internet company. "We say, if you want to change the system, O.K., but replace it with what? What would people want us to do — give up our jobs?"

A 26-year-old computer consultant, who asked not to be identified, put it this way: "For me, it doesn't matter who the president is. It doesn't affect my job, my activities." His own goals, he said, are "buying a car, having a fun life, saving some money."

Endy Bayuni, managing editor of the English-language Jakarta Post, said of the middle class: "They're not really political."

"There's this trauma, or fear, among middle-class people that change means violence," he said. "They say 'Let's preserve things. Why take a chance?' "

Marzuki Darusman, deputy chairman of the National Commission on Human Rights, said affluent, urban Indonesians are complacent because they benefit financially from a system in which personal connections matter more than legal contracts and it is commonplace to ignore weak government institutions.

"Gradually, they may want to shift into the legal system," Mr. Marzuki said. "They have to grow up as a middle class."

Mr. Juwono, the political scientist, noted that the middle class here is still small, relatively new and not as affluent as other Asian middle-class elites.

Importantly, Indonesians have not yet registered the same degree of "indignation" with authoritarian rule that prompted revolts from middle classes elsewhere in the region.

"It would have to be much more volatile here," Mr. Juwono said. "I see no reason why the rising middle class would want someone else. As long as they are satisfied and benefiting from the system, there will be no cause to complain."

"Unlike in Seoul or Kwangju or in Bangkok, the military here has not fired on the middle class," he added. "They have saved that for the underclass. If anything, the middle class supports the military crackdown."

Abdul Hakim Nusantara, a human rights lawyer who heads the Institute for Policy Research and Advocacy, said: "Any reform will be initiated by the top, from inside the ruling class. Who that will be, I don't know — maybe someone from the army, maybe from the ruling party."

Father's Suicide Tied To Bullying in Japan

Reuters

TOKYO — A distraught father killed himself after his son was accused of taking part in the bullying of a classmate who committed suicide, the police said Tuesday.

The 45-year-old office worker was found unconscious in the back yard of his home in Chiran, in the southern prefecture of Kagoshima, after swallowing fertilizer. He died in the hospital.

Police had questioned him about the suicide of a 14-year-old who hanged himself Sept. 18. Kyodo news agency quoted the boy's parents as saying the man had visited them frequently to apologize.

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EUROPE

Yeltsin and the Not-So-Evident Pitfalls of VIP Medical Treatment

By Lawrence K. Altman
New York Times Service

MOSCOW — Boris Yeltsin is undergoing tests in a hospital here in preparation for the heart bypass operation he needs, and extraordinary efforts are being made to send medical personnel and equipment for the surgery. All of this raises a critical question: Has the Russian president's insistence on having the delicate triple or quadruple bypass operation done in Moscow, apparently because of national pride and a precarious hold on power, made him vulnerable to "the VIP syndrome," jeopardizing chances of a successful outcome?

The 65-year-old leader has been in the hospital since Sept. 12, and an operation has been delayed several weeks because of anemia, internal bleeding and other complications. Whether he emerges from the surgery in vigorous health or is incapacitated or dies could vastly influence the future of Russia's fragile democracy.

Mr. Yeltsin's medical care has set off political rivalries abroad, particularly between the United States and Germany, and at home among Russian doctors and hospitals. The rivalries concern where the surgery is performed, which doctors will perform it, and who will provide backup care and equipment if they are needed.

Prominent and powerful people gain some advantages in medical care. World experts will fly thousands of miles to their bedsides. Mr. Yeltsin is being allowed to work in the hospital, a privilege not generally extended to most patients, while doctors give him blood transfusions to correct a serious anemia, seek its cause, treat him for a mildly underactive thyroid condition and hope his cardiac condition improves further.

Although people may think that the powerful and famous get the best treatment, the care that they receive can often be substandard, even dangerous. Doctors awed by such people may defer important tests and procedures like a rectal examination, thus failing to detect a prostate or colon cancer when it could be cured.

In surgery, the medical care given a patient before and after an operation can equal or exceed the importance of the technical quality of the surgery itself. Also, heart surgery involves teamwork. The synchronization of work and interrelationships among the personnel, each with skills that are critical to the outcome, can be just as important as teamwork is on an athletic field.

But disrupting the regular teamwork can endanger a VIP's medical care. It was with that in mind, after President Ronald Reagan was shot in 1981, that the White House physician, Dr. Daniel Ruge, insisted that the president be treated by the hospital's staff trauma team rather than looking outside for high-powered consultants.

Most leaders gain their positions because they have strong will and personalities, often with enormous control over others working for them. Many often have difficulty in adjusting to the role of hospital patient. They may demand changes in normal routine, and staff members are often mesmerized or intimidated into complying. Often these changes are harmful.

In addition, VIP patients often disregard medical advice to rest and avoid unusual levels of stress. Dr. Renat Akchurin, the head of the Yeltsin surgery team, has said that his patient did just that during his re-election campaign last summer. And he apparently paid a price.

In July, Mr. Yeltsin suffered angina pains for several minutes from a lack of blood to his heart. Doctors then injected TPA, a clot-dissolving drug, to stop what apparently was a heart attack in progress, Dr. Akchurin said in a brief interview. At the time, Russian officials said Mr. Yeltsin was merely tired.

In disclosing his need for heart surgery, Mr. Yeltsin broke a long tradition of secrecy maintained over the health of Russian leaders while they are alive. For example, Kremlin officials said that Yuri Andropov had "the flu" when the Russian leader really was suffering from kidney failure.

The shah of Iran kept his cancer secret from his doctors during the last years of his rule and while he lived in exile. But the secrecy jeopardized his health when doctors examined him in Mexico before he was allowed to get medical care in New York City. Then, when protests forced the shah to leave the United States and his disease advanced, he got his care on the run. A team of surgeons removed his spleen in Egypt, and complications developed after the surgery.

When Mr. Yeltsin's former press secretary, Pavel Voshchanov, said on Sept. 6 that the president's liver was in bad shape, speculation grew that he might have cirrhosis from drinking too much alcohol. Thus, there was surprise when Mr. Yeltsin's doctors said his liver tests were normal.

There are signs, however, that Russian officials are wary about being too open about Mr. Yeltsin's health. On Friday, the Kremlin urged greater dignity and ethics in reporting about his condition. The Kremlin also accused Western journalists of applying a double standard in writing much more about Mr. Yeltsin's heart condition than about the fatal prostate cancer of President Francois Mitterrand of France.

An open policy on a leader's health can create problems for doctors. Some may seek the role to enhance status and income. But others might avoid doing a high-risk procedure, even if it is a patient's only chance, if they believed they would be risking their reputations if the patient died.

When Dr. Akchurin spoke about the risks in Mr. Yeltsin's surgery, the surgeon created the impression that he was protecting himself. In the end, by accepting support, whatever its source, Mr. Yeltsin will solve his political problem by undergoing his operation at home.

Turkish Leader Set to Go On Another 'Muslim' Tour

Stops in Libya and Nigeria Stir Criticism

By Stephen Kinzer
New York Times Service

ISTANBUL — Pressing his campaign to forge a worldwide alliance of Muslim nations and evidently unconcerned about foreign and domestic criticism, Prime Minister Necmettin Erbakan is planning to depart Wednesday on a trip that will take him to Libya and Nigeria.

According to press reports here, Mr. Erbakan is making the trip against the advice of his own Foreign Ministry. Turkey has been governed since June by an uneasy coalition between Mr. Erbakan's pro-Islamic Welfare Party and the Western-oriented True Path Party headed by Foreign Minister Tansu Ciller.

In August, Mr. Erbakan visited Iran as part of his first foreign trip since taking office and signed a multibillion-dollar oil transport agreement with Iranian leaders. Although the agreement had been under negotiation for several years and had been endorsed by previous Turkish leaders, it was taken by some in the West as an alarming signal that Turkey was beginning to reorient its foreign policy eastward.

Mr. Erbakan's trip to Libya, a Muslim country, and Nigeria, which is substantially Muslim, will deepen Western concerns.

The United States has declared Libya a terrorist state, and it is under international sanctions for failing to turn over two suspects in the 1989 bombing of a Pan Am jet over Lockerbie, Scotland. Nigeria's military rulers have jailed the winner of the country's last presidential election and attracted worldwide criticism after executing nine opposition figures last year.

Libya owes an estimated $350 million to several Turkish construction firms, and Mr. Erbakan is hoping that his visit will encourage payment of the bill. An official Turkish delegation traveled to Libya last month seeking payment of the debt, but the Libyan leader, Moammar Gadhafi, refused to pay it and even denounced "the slaughter of Kurds in Turkey" in a speech at which the Turkish officials were present.

In addition to Libya and Nigeria, Mr. Erbakan is also planning to visit Egypt on his trip. On his last trip, he traveled to Pakistan, Singapore, Indonesia and Malaysia as well as Iran.

The leader of Turkey's largest opposition party, former Prime Minister Mesut Yilmaz, asserted this week that a "gaping chasm" had opened between Turkey's traditionally pro-Western foreign policy and the policy being pursued by Mr. Erbakan. He called Mr. Erbakan's travel plans "contrary to the national interest."

"A party that won only 21 percent of the vote has no right to change the course of Turkish foreign policy," Mr. Yilmaz said, referring to the Welfare Party's showing in last December's election.

"There is no consensus in Turkey for such a change."

As Mr. Erbakan prepared to depart this week, aides confirmed that he has invited the speaker of the Sudanese Parliament, Hasan Turabi, to attend a convention of the Welfare Party scheduled for Oct. 13.

Like Libya, Sudan is on the U.S. State Department's list of governments that support terrorism.

At a briefing in Washington on Monday, the State Department spokesman, Nicholas Burns, warned Mr. Erbakan to be "quite careful" when dealing with regimes such as those that rule Libya and Sudan.

"We certainly would have concern about any country normalizing relations with Sudan and Libya," Mr. Burns said.

"Sudan is a state sponsor of terrorism," he added. "Libya is responsible for the murder of hundreds of Americans on Pan Am Flight 103, December 1989. And we haven't forgotten that."

Reuters

Turkish Army commandos hunting Tuesday for Kurdish rebels near the southeastern city of Tunceli.

Rights Group Assails Ankara and Rebels

Reuters

ISTANBUL — Amnesty International began a worldwide campaign Tuesday to publicize human rights abuses in Turkey and issued a report condemning extrajudicial killings, torture and disappearances.

It also accused rebels of the Kurdish Workers Party and leftist urban guerrillas of rights abuses.

"This is a campaign for Turkey," said the head of Amnesty International, Pierre Sane. "This is a campaign to ensure that the necessary safeguards will be put in place to protect the rights of people in detention."

The European Parliament threatened last month to withhold hundreds of millions of dollars in European Union aid to Turkey, complaining that Ankara had not carried out commitments to improve its rights record.

Mr. Sane said the London-based human rights group would pressure international organizations in an effort to expose Turkey's failure to prevent torture, extrajudicial killings and the recent phenomenon of suspects "disappearing" in detention.

Turkish Foreign Ministry officials were not immediately available to comment on the report.

"What concerns us most," Mr. Sane said, "is the increase in the number of disappearances, the number of extrajudicial executions."

More than 100 people, mostly Kurdish villagers, have "disappeared" in police custody since 1993 as part of the conflict between Kurdish rebels and the security forces in southeast Turkey, the report said.

The report said that more than 1,000 civilians suspected of pro-rebel activity had been killed by the security forces or shadowy death squads in the last five years "in an unprecedented wave of extrajudicial killings."

It says the guerrillas have killed at least 400 prisoners and civilians from 1993 to 1995 in a campaign against a pro-state Kurdish village militia.

"It is a bitter irony," Amnesty International said, that "most victims of its deliberate and arbitrary killings have been Kurdish villagers."

Defense Chief Warns Yeltsin: Unpaid Army Is Unreliable

By Michael R. Gordon
New York Times Service

MOSCOW — Russia's defense minister said Tuesday that the military was falling apart and that the Kremlin might no longer be able to count on it in a crisis.

General Igor Rodionov, appointed to his post this summer at the recommendation of Alexander Lebed, the security adviser, painted a bleak picture of a ever-shrinking military, poorly trained, poorly housed and even poorly fed.

General Rodionov dismissed talk of mutiny. But he warned that morale was plummeting to the point that the military was becoming politically unreliable.

If months of back wages are not paid, he warned, "the Defense Ministry cannot guarantee that no undesirable and uncontrollable processes will develop in the armed forces."

President Boris Yeltsin, who called out the military to quash a rebellious Parliament three years ago, has long cultivated the armed forces. And with Mr. Lebed, his security adviser and potential rival, presenting himself as the protector of the military, Mr. Yeltsin sought to blunt the military's criticism.

Russian television broadcast Mr. Yeltsin in the hospital, instructing Prime Minister Viktor Chernomyrdin to act.

"I ask you to convene a government council and for that government council to review the issue of financing for the armed forces," Mr. Yeltsin said.

But Moscow has a huge budget deficit, problems in raising tax revenue and huge array of claimants.

Analysts said that General Rodionov had both a short-term and long-term goal. In the short term, he wants an increase in the budget for 1997 and to get the rest of the funds due for 1996, including three months of back wages. In the long-term, he argued Tuesday, the Russian military can take on the process of restructuring itself only if it gets the funds to do so.

Blair Vows to Make Britain a 'Skill Superpower'

Compiled by Our Staff From Dispatches

BLACKPOOL, England — The Labor Party leader, Tony Blair, laid out Tuesday a "performance contract" with Britain and set his main goal as improving education after an election that opinion polls make him odds-on favorite to win.

In a rallying call to the last Labor Party conference before the election, due in the next seven months, Mr. Blair pledged to build Britain into the "skill superpower of the world."

Appealing for the support off people from across the political spectrum to end 17 years of Conservative rule, he pledged to govern for everyone, and not just for narrow interests on the left or the unions.

"I say to the British people, have the courage to change now; we are coming home to you," Mr. Blair said to loud applause in his keynote speech to the conference.

"No more squandering the nation's assets, no more sleaze," he said, adding, "No more lies, no more broken promises. I say to the Tories: 'Enough is enough. Enough, be done, be gone.'" In his 10-point contract, he vowed:

- To increase the proportion of national income spent on education.
- To reduce spending on "the welfare bills of social failure."
- To cut spending on health bureaucracy and improve patient care.
- To reduce the number of the long-term unemployed.
- To halve the time it takes to get young offenders to court.
- To keep government borrowing and inflation low.
- To keep tax promises.
- To cut the size of school classes.
- To devolve power to Scotland and Wales.
- To build a new and constructive relationship in Europe.

Mr. Blair also promised to reverse Conservative policy by signing the European social chapter, which standardizes conditions for workers across the European Union, before the end of 1997.

But he said he would not get rid of Britain's opt-out on a single currency, deciding to join only if it was in Britain's interests and only with the consent of the British people.

Labor, out of power since 1979, leads the Conservatives in polls by more than 20 percentage points. Mr. Blair aims to cement that lead by convincing voters that he, more than Prime Minister John Major, is in touch with their aspirations.

Mr. Blair also said that he wanted to ban the private ownership of handguns.

"That is our duty to the people of Dunblane," he said, referring to the Scottish town where a gunman killed 16 children and a teacher in March.

The issue may very well be resolved before a national election.

Legislation to ban handguns was killed earlier this year by the Conservative majority on a House of Commons committee. But Mr. Major's government has said it will review its position following the report of a public inquiry led by Lord Cullen.

The report is due about the time Parliament reconvenes on Oct. 14.

(Reuters, AP)

BRIEFLY EUROPE

Gas and Electric Workers To Join Strike in France

PARIS — Support swelled Tuesday for a strike in the French public sector on Oct. 17 as workers of the state-owned gas and electricity utilities said they would join.

Rail workers, who paralyzed much of the country for four weeks a year ago with a strike to protest changes in the social security system, said last week that they would take partin the walkout by 4 million public-sector workers.

The one-day strike was to be the culmination of union action, which began last month with limited strikes by railway workers that continued to affect Paris suburban train services on Tuesday and a strike Monday by teachers protesting job cuts and classroom overcrowding. *(AFP)*

New Corruption Charges Leveled Against Tories

LONDON — A day after he dropped a libel suit, a former Conservative minister denied fresh newspaper reports Tuesday that he had accepted cash for asking questions in Parliament.

Neil Hamilton, who stopped his libel case against the Guardian newspaper hours before it was due to start, accused the newspaper of living in "fantasy land."

Mr. Hamilton said he had dropped the case only because he could not afford the legal fees. A parliamentary lobbyist, Ian Greer, simultaneously dropped his libel case against the Guardian.

The paper said its evidence to the court would have revealed "a pattern of parliamentary sleaze more far-reaching than anyone had imagined."

Mr. Hamilton was forced to resign as trade minister in October 1994 after the Guardian accused him of accepting money from Mohammed Al Fayed, the owner of Harrods, in return for asking questions in Parliament.

The report in Tuesday's Guardian went beyond the original allegations, naming four other senior Conservatives who it said were involved in a paid campaign to promote the interests of the Harrods owner. The paper said it based its report on government documents released for the trial and on statements by witnesses. *(Reuters)*

Greek Backing for Cyprus

NICOSIA — Prime Minister Costas Simitis of Greece arrived on Cyprus on Tuesday to join in the divided island's independence day celebrations and reiterate Greek support for reunification.

Cyprus has been divided into a Greek Cypriot south and a Turkish Cypriot north since July 1974, when Turkey invaded and occupied the northern third of the island after a failed coup by supporters of union with Greece. *(AP)*

French Military Lagging

PARIS — France's military restructuring has limited its ability to stage a long-term foreign operation, a newspaper reported Tuesday.

Army leaders have informed political authorities of their inability over the next three to four years to mount an operation as they did during the Gulf War in 1991, Le Monde said. President Jacques Chirac has announced plans to cut ranks by more than a third, drop the draft and turn the army into a professional force. *(AP)*

Calm Returns to Armenia

YEREVAN, Armenia — The authorities pulled more troops out of central Yerevan on Tuesday as the Armenian capital returned to normal following riots last week over the disputed presidential election.

Interior Ministry troops and armored vehicles were removed from the city center except for a force that remained at Freedom Square, where opposition rallies are usually held. *(AP)*

OIL & MONEY

INVESTMENT STRATEGIES AND THE NEW WORLD ORDER

London, Inter-Continental Hotel, October 28-29, 1996

The 15th annual Oil & Money Conference, co-sponsored by the International Herald Tribune and The Oil Daily Co./PIW Publications, will outline the considerable economic and political challenges that confront oil and gas executives. The high level meeting offers a forum to delegate the current strategies adopted by companies to achieve profitability through the rest of the decade and beyond.

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- Capital Flows and Geopolitics
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- Ronald Arnault, Executive Vice President, Total
- Thierry Desmarest, Chairman and CEO, Total
- Mark Moody-Stuart, Group Managing Director, Royal Dutch/Shell
- Dr. Issam Al-Chalabi, Former Oil Minister, Iraq
- James L. Harrison, President & General Manager, Mobil EAG
- Herbert Detharding, CEO, Wintershall
- Johan Van Held, Group Executive, Statoil

For full program details please contact:
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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Rot in Armenia

Armenia gets more U.S. aid per capita than any other country but Israel. It earned this distinction not only through the fervent interest of so many Armenian-Americans but also by portraying itself, and for a time living up to the image of being, a true democracy in the post-Soviet world. Sadly, reality has moved far from that image, as President Levon Ter-Petrosyan has claimed re-election after a vote marred by fraud and has arrested or sent into exile or underground much of his political opposition. Almost as sadly, the U.S. government has reserved its strongest condemnation thus far for the opposition, even as Armenia slides toward authoritarian rule.

Armenia embarked on its post-Soviet independence with great and legitimate hopes five years ago. Unlike so many other republics in the region, where former Communist bosses simply repainted themselves as democrats, it chose as its leader a scholar and former dissident in Mr. Ter-Petrosyan. But more than a year ago the president started down the slope toward rule by diktat, banning a major opposition party and gagging much of the press. Parliamentary elections last year were widely condemned for violations of fairness.

In the just completed presidential election, Mr. Ter-Petrosyan enjoyed 1,050 minutes of coverage on state television, compared with 65 minutes for his leading opponent, a former prime minister and onetime ally named Vazgen Manukian. According to international observers, the vote was marred by "significant and serious breaches in the law." Their preliminary report suggested that such breaches were not enough to sway the election, but now that Mr. Ter-Petrosyan has claimed just shy of 52 percent of the vote, the legitimacy of his victory is in strong doubt.

Opposition rallies in Yerevan were huge and largely peaceful, but fighting broke out on one occasion when the election commission refused to order a recount. Now the incumbent has sent troops and tanks into the capital, imposing a virtual state of emergency. Opposition deputies have been beaten and kicked out of Parliament. Troops have stormed into opposition party headquarters and shut them down.

In the face of this, the State Department has mustered nothing more than to say it is following events "with great interest" while finding "regrettable and unfortunate" the opposition violence. What is truly regrettable is not just this mealy-mouthed U.S. response but the sight of a small nation with a sad but courageous history watching its chance at self-rule being stolen.

— THE WASHINGTON POST.

Suspicion in Mexico

President Ernesto Zedillo has promised to enforce the laws of Mexico fully and impartially, even with top officials of his Institutional Revolutionary Party, or PRI. The future of political and economic reform requires the fair administration of justice. But Mr. Zedillo and his party have repeatedly delivered a good deal less than that. The latest example came last week when a PRI majority prematurely terminated a congressional investigation into possible crimes or misconduct by Raúl Salinas de Gortari, brother of former President Carlos Salinas de Gortari.

The Zedillo administration can undo some of the damage by insisting that its attorney general vigorously prosecute the charges against Raúl Salinas in the courts. But the administration's record in prosecuting other politically sensitive cases is not encouraging. Unless Mr. Zedillo acts more boldly, the culture of impunity will prevail, and continue to thwart efforts at reform.

Raúl Salinas is in jail facing charges of murder and illegal enrichment. But since his arrest on the murder charges 19 months ago his case has moved slowly. The government's attempt to prove that he masterminded the assassination of a top ruling party official has stalled. The corruption charges were brought later, largely as a result of Swiss and American investigations of large offshore bank accounts. Mexican efforts to uncover the sources of his enrichment have lagged.

These investigations are highly sensitive, since they could potentially involve some of the country's most prominent businessmen and politicians. The congressional inquiry into Raúl Salinas's conduct as a top official of the government's food distribution company was seen by many Mexicans as an attempt to force the pace of the wider investigation. Mexicans now wonder if the multiparty congressional inquiry was shifted offstage to the closed world of the attorney general's office and the courts because it was drawing so much public attention to currently powerful figures.

By appointing an opposition party member as attorney general, Mr. Zedillo raised hopes that his administration would aggressively prosecute politically sensitive cases like that of Raúl Salinas. That optimism has been dashed by the government's repeated prosecutorial failures and omissions.

The Zedillo administration rejects its predecessor's conclusion that a lone gunman murdered the former presidential candidate Luis Donaldo Colosio, but it has yet to convict anyone. It has failed to pursue high-profile criminal cases involving the governors of two Mexican states. That record creates little confidence that it will take on the powerful ruling party interests. But unless the rule of law is applied equally to all Mexicans, neither democracy nor free and transparent markets can take root.

— THE NEW YORK TIMES.

Congress and the Net

The U.S. Congress, once notoriously Internet-phobic, made some strides in this session toward coexistence with the new medium.

Both houses passed an extension of the Freedom of Information Act to cover government agencies' electronic records, such as e-mail; that bill now awaits the president's signature. The House, meanwhile, finished work on an amendment to Federal Election Commission law that would allow on-line companies to donate free on-line time to candidates for federal office without it being considered a monetary contribution to be counted against campaign spending limits. This change would bring on-line media in line with the law on broadcasters, who are always being urged to do this with television time (and this year have said they will). There may be some questions to be explored here. (Are on-line companies truly the equivalent of broadcast stations, or would some other parallel be better?) But the Senate is not expected to get to it anyway until next year, although we suppose you can't rule out the possibility that a lot of current officeholders will suddenly discover in themselves a desire to get on-line with a lot of prospective voters in the coming weeks.

The progress on these measures is in notable contrast to the bog-down that has afflicted a proposal that goes more directly to governmental, and specifically congressional, openness. Both houses have been showing reluctance to move forward on a proposed rules change that would make the public work of congressional committees available in cyberspace on the same day that it unfolds on the Hill itself, thus making it unnecessary to be physically in the room during a hearing or public markup of a bill — or, more likely, hire a lobbyist to be there for you.

Committee chairs have balked at the range of materials they are being pressured to release, which includes members' voting records, FEC reports on campaign contributions, financial disclosure and lobbyist disclosure reports and others. These are all technically public documents, in that the public has the right to see them; actual access comes mostly by proxy through media reports or special requests. More obvious, the materials generated by a hearing, such as a transcript, committee reports and copies of prepared testimony, are supposed to be available to all, but they take months to be printed.

The jury is still out on whether electronic archives will prove the best, the most accessible or the most durable way to store government records for the long haul. But for short-term communications that mirror the actual pace of legislating and lobbying, the Internet is ideal for the kind of engaged citizenship that all lawmakers supposedly want. In this case they ought to act as if they do.

— THE WASHINGTON POST.

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Pre-election Maneuvers for a Yeltsin Succession

By Michael McFaul

STANFORD, California — Whatever the outcome of Boris Yeltsin's coming heart surgery, uncertainty about his ability to serve out his second term has jump-started planning and plotting to succeed him.

On Saturday, his security adviser, Alexander Lebed, called for the president to step down until he has recovered, the implication being that Mr. Lebed would be happy to fill in.

While the list of candidates poised to compete is rather obvious, the context that will shape future power struggles is less well understood. Russia's political landscape has changed substantially since the July presidential election.

First, the path to executive power has become much better defined. All serious hopefuls are assuming that the next Kremlin ruler will come to power through the ballot box and not by some other method. All are either morally committed to the democratic process, strategically optimistic that it is the easiest way to obtain power, or too weak to pursue another path. This shared commitment did not exist only a few months ago.

Second, politics in Russia is no longer polarized between Communists and anti-Communists. From 1990 to 1996 the struggle between two fundamentally different systems shaped every national election. Polling data from the July election showed unequivocally that voters were not choosing between two candidates but between two systems.

Thus, Mr. Yeltsin could maintain negative approval ratings throughout the campaign and still win in a landslide. Most Russians did not want to go back to communism, but forward to something else.

The Communist leader, Gennadi Zyuganov, has created a new organization, the National Patriotic Union, to distance himself from more orthodox Communists. He does not want to be portrayed as an outside threat, but rather as someone who can reform the system from within.

Potential leaders like Prime Minister Viktor Chernomyrdin and Mayor Yuri Luzhkov of Moscow realize that the anti-Communist card cannot be played again. The ideological void makes alliances more fluid. In August, Mr. Zyuganov used his considerable power in the Parliament to ensure the overwhelming approval of Mr. Chernomyrdin's government, and the two men have been meeting regularly since then.

Similarly, the line between reformers and nationalists has become blurred. Who is the nationalist and who is the liberal when Mr. Luzhkov declares that the Ukrainian city of Sevastopol must be returned to Russia, while Mr. Lebed pursues peace in Chechnya?

Third, since Russia does not have interest-based ideological parties, personalities (rather than liberals, conservatives or social democrats) are ascendant. This is apparent in gubernatorial races this fall. Big personalities like Mr. Lebed will gain, while gray ones like Mr. Chernomyrdin suffer.

One factor that has not changed since the July elections is the divide between the winners and losers in Russia's transition to the market.

The 30 million voters who supported Mr. Zyuganov in July may no longer believe in Communist restoration, but they are still suffering from actions of the current government, and thus oppose it. They are unlikely to back anyone identified with the status quo — Mr. Chernomyrdin, Mr. Luzhkov or President Yeltsin's chief of staff, Anatoli Chubais.

Mr. Lebed's battles with his government colleagues make him the heir apparent to this protest vote.

The new atmosphere bodes ill for those associated with Mr. Yeltsin, even with their unlimited financial support and monopoly over television. But the importance of their remaining in power has also diminished. With the battle between communism and capitalism over, the greatest threat to market development in Russia is not a Communist comeback but instability, democratic collapse and authoritarian rule.

That no one seems ready to challenge Russian democracy means that the stakes of future struggles, electoral or otherwise, will be much lower than those of previous Moscow dramas.

The writer, professor of political science at Stanford University, is an associate at the Moscow Carnegie Center. He contributed this comment to The New York Times.

Stop and Consider the Prospect From That Jerusalem Tunnel

By Adam Goodheart

WASHINGTON — To many Arabs, Israel's opening of the narrow tunnel along the western retaining wall of the Temple Mount was another example of Israelis' disrespect for Muslim holy places and intransigent rule over East Jerusalem. To many Jews, it was a symbol of their right to control their God-given capital. But both Jews and Arabs would do well to take a closer look at the tunnel — not at the symbolism that now obscures it, but at the ancient stones themselves, witnesses to more than 2,000 years of Jerusalem's history.

Giving full control to one group would be untrue to the city's past.

The retaining wall, part of the structure revered as the Western Wall, was built by Jewish rulers in the 1st century B.C. with large, elegantly beveled stones. The ruins cannot really be called beautiful, not if you expect the aesthetic purity of a Greek temple.

There are too many alterations and additions: a vault-ed Roman pool, a medieval synagogue, a Saracen gate. The retaining wall is broken midway by an 8th century Arab arch, which once supported a bridge to the Dome of the Rock and which, in turn, supports the foundations of a 12th century chapel built by Christian crusaders.

Some might view the jumble as evidence of Jerusalem's violent history, in which one brutal conqueror supplanted another. Romans destroyed the Jewish temple and yielded in turn to the Arabs. After the Christian knights stormed Jerusalem in 1099, the streets ran with the blood of its Muslim and Jewish defenders.

It is possible to read the ruins in another way, as testimony to a history built by many cultures and faiths. No matter what the sins of the past, Jerusalem is now a hopelessly tangled hybrid. Remove the Roman vaults, and a Christian convent would collapse. The Arab arch cannot be separated from the Jewish wall.

King Herod, who built the Western Wall, was an observant Jew who also set up temples to the Greek and Roman gods and served as president of the Olympic Games. The Muslims who built the Dome of the Rock not long after Mohammed's death invited exiled Jews to resettle Jerusalem. Rabbis in the 8th century praised the Dome's construction. The city's name derives, linguists believe, from a pagan Syrian god, Shalem, the evening star.

But some Israelis insist on sole Jewish control of Jerusalem. Prime Minister Benjamin Netanyahu vows never to negotiate sharing or dividing the city with the Palestinians, despite the fact that the 1993 peace accord provided for such discussions.

Yasser Arafat, in turn, objected to the tunnel as part of "the Judaization of Jerusalem," as though the city were not already irrevocably Jewish, an identity inseparable from its Muslim identity. Arabs continue to oppose nearly all archaeological exploration of the Temple Mount area, denying Jews the right to probe their own history.

Any resolution of Jerusalem's status that settles exclusive control on one group will be not simply unjust but untrue to the city's past.

The tunnel along the Temple Mount should remind everyone that the walls and archways beneath the holy places — Jewish, Roman, Muslim, crusader — are all carved from the same honey-colored limestone, the bedrock of Jerusalem.

The writer, senior editor at Civilization magazine, contributed this comment to The New York Times.

Now Netanyahu Has to Wake Up and Give Arafat Something

By Richard Cohen

WASHINGTON — At times in the last several days, I imagined Benjamin Netanyahu as a civil rights era sheriff. I saw him in reflector sunglasses and a modified Stetson, standing before the television cameras and telling the press how outside agitators — and not local conditions for the last 100 years or so — were responsible for a certain disquiet in a certain part of town.

Granted, Mr. Netanyahu did not say precisely that. He did, though, blame the rioting of the last week on the Palestinian leadership, specifically Yasser Arafat, saying they had egged on, if not authorized, Palestinian policemen to shoot at Israelis.

The findings of the press, while hardly definitive, are otherwise, but the point is moot. People — and that includes Palestinians — do not confront authority and risk their lives for the fun of it. They have to be plenty mad.

This time around, the Palestinians are justified. The opening of the controversial tunnel, as Mr. Netanyahu has repeatedly said and everyone else has confirmed, was hardly a hostile act in and of itself. The tunnel does not intrude on Muslim holy places, but it nevertheless was seen as an affront to the Islamic community.

It is for that reason that it was opened at night and in secret. It was a not so subtle way of telling Jerusalem's Arabs who is boss: The Israelis, which is to say, the Jews.

For many Palestinians, that humiliation was the last straw. It had followed months of Mr. Netanyahu doing all he could to stall the peace process. It had followed inaction about turning over the West Bank city of Hebron to the Palestinian Authority. Mr. Netanyahu had taken his own sweet time just to meet with Mr. Arafat and shake his hand. He loathes the man, considering him nothing other than a bloody terrorist.

Mr. Netanyahu lost a brother at Entebbe; I, for one, will not tell him to love his enemy. But his demeanor toward the Palestinians and, ultimately, the opening of the tunnel have taken matters to a very dangerous point.

Both Mr. Netanyahu and Mr. Arafat are weak leaders, not widely popular among their own people. Mr. Netanyahu won the last election by about 1 percent of the vote. Significantly, 98 percent of the Arab vote (19 percent of the population) went to his opponent. Since then, Mr. Netanyahu's stock among all voters has fallen. His former opponent, Labor Party leader Shimon Peres, now ranks higher in the polls.

As for Mr. Arafat, he, too, has lost standing with his constituency. In Gaza he presides from a vast slum — squalor, unpaved streets and high unemployment. With Mr. Netanyahu symbolically across the table from him, he has not been able to bring a Palestinian state any closer to reality, nor has he countered the humiliations and rebuffs of the new Israeli regime.

As if that were not enough, it turns out that Mr. Arafat is a lousy administrator. For one thing, his police force has the bad habit of interrogating suspects to death.

Weak leaders are always ill-disposed to make concessions. For that reason, Bill Clinton was right to give them a hand.

But even here there is a risk. A Washington summit is precisely that — the top, the most, the ultra. It is not a preliminary step, and therefore it cannot be used routinely. If it fails, if even the president of the United States fails, then there is no recourse to a higher authority.

There is a paradox here. Anyone who has met Mr. Netanyahu would describe him as active, energetic, pragmatic, tough and no dreamer.

These are not the adjectives that would be used for Shimon Peres, the former prime minister. He has a dreamy quality to him, and it was not surprising to me — especially after having been in Israel after the suicide bus bombings last March — that Israeli Jews chose Mr. Netanyahu.

But Mr. Peres's dream was, really, nothing of the sort. It was a pragmatic judgment that without an accommodation with the Palestinians, Israel would remain a garrison state. It would never prosper. It might not even survive.

Mr. Netanyahu sees things differently. He thinks that the status quo is just dandy. He confuses accommodation with appeasement. In a way he is the dreamer. He longs for an Israel greater than events will allow.

Unless he gives Mr. Arafat something — it doesn't have to be anything major — the Middle East is in for a very rough period. He cannot, in one fell swoop, demean both Mr. Arafat and summitry when, almost certainly, he is going to need both in the near future.

In the meantime, he risks appearing like some ridiculous sheriff standing with his back to the facts, telling us what we know is not true, and refusing to come to terms with reality.

The Washington Post.

We'll Have to Put on the Brakes

By Jessica Mathews

WASHINGTON — In Japan, a new beltway planned for Tokyo is on hold because of an unprecedented outbreak of citizen dissent.

Surging public opposition has brought road-building almost to a halt in Britain.

In California, the Bank of America, together with citizens' groups and a state agency, has called for an about-face away from auto-dependent suburban development. "Unchecked sprawl," its report finds, "has shifted from an engine of California's growth to a force that threatens to inhibit growth and degrade our quality of life."

The message and the data to support it have been around for years, but coming from the state's largest bank and beneficiary of real estate development they have had a wholly new impact.

All this explains why The Economist chose to celebrate this year's 100th birthday of the world's largest manufacturing industry with a section titled "Taming the Beast." In its words, the car is now seen by many as "a blessing turning into a curse."

For years, economists and environmentalists have been pointing to high costs associated with auto reliance that are borne (but not always paid for) by all of society. Among the direct ones are parking subsidies, roads and services worth more than $100 billion annually above what drivers pay in taxes and other fees.

Losses not reflected in market transactions include those resulting from congestion, air pollution, noise, accidents and securing the flow of oil.

Conservative estimates put the sum of all these in the neighborhood of 5 percent of GDP for the United States and slightly less for Europe. But even that does not capture the costs of sprawl — low-density development that depends on the automobile and can be served only by it.

In a now familiar American sequence, developers reach for the cheapest land, out in the cow pastures. Government is left to fill in with brand new infrastructure — roads, sewerage systems and schools — paid for in part by those whose existing roads and schools are left to decline. Property values rise in a ring that marches steadily outward from the city, and fall in older suburbs inside the moving edge.

Because residential development can't meet the public bills, local governments compete for commercial investment with tax discounts that deplete their revenues still further. Property taxes then rise, providing an incentive for new development.

Years of such leapfrogging construction devours land at an astonishing pace. New York and Chicago have grown 12 times as fast in area as in population for decades. Unbelievable as it may seem, only 45 years ago Los Angeles was the top-producing farm county in the United States. Today, 70 percent of its land is devoted to cars.

The same fate is in store for California's Central Valley, America's richest agricultural area, unless policies change, says the American Farmland Trust. It projects annual losses resulting from urban sprawl of $3 billion in agricultural sales and local government deficits of $1 billion. A more compact growth pattern would halve the losses and turn the deficits into small surpluses.

There are more subtle costs, as well. The automobile is unquestionably a blessing, but there is a price to be paid for suburbs designed for cars. They serve many of people's needs poorly. Homes, jobs and schools are far apart. Neighborhoods are made of strangers and cannot coalesce.

A study of British cities found that for reasons of both crime and infrastructure (not unrelated), the number of children who could walk to school alone fell from 80 percent in 1970 to 8 percent last year.

Where space to sprawl is unavailable, strangling congestion follows when public investment tries, and inevitably fails, to keep pace with development by building more and more roads. Bangkok's traffic jams may be legendary but are no longer unusual.

Double-digit economic growth is no help. It is part of the problem. Bangalore was India's chief business attraction a decade ago. Now pollution, power outages and congestion are driving investment out. "The sprawl has become unmanageable," says a former city administrator, "to the point that any further growth would be fatal."

Having chosen automobile production as a "pillar industry," China now has second thoughts, even as it is forced to cancel transit construction because of a lack of money. Due to land and energy shortages and pollution, "China just simply cannot sustain the development of a car economy," in the opinion of a prominent scientist involved in the debate.

Seventeen cities want to build subways, but only three small systems are being funded. Meanwhile, roads are already clogged enough to hold back growth.

The Chinese may not know what to do, but they have the appropriate proverb: "If we do not change the direction we are going, we will end up where we are headed."

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Passage to Asia

PARIS — A grandiose scheme of intercontinental traffic is shortly to be carried into effect by the Russian Government, involving direct water communication between the Baltic and the remotest cities of Central Asia. The obstacle thereto at present is that the Amu Daria empties itself into the Sea of Aral. It is, therefore, a question of turning the current of this mighty river into the Caspian Sea. It is only a matter of years before a vessel will be able to sail from St. Petersburg to within easy reach of Cabul and Hindustan.

1921: Gotham Series

NEW YORK — There is great rejoicing in New York to-night [Oct. 1], for the Gotham clubs in the two big leagues have accomplished a feat that has been recorded but once before in the annals of baseball. Chicago is the only other city to boast of having furnished both winners, holding her own World's Series in 1906, when the Sox downed the Cubs. Plans are now progressing for the World's Series. It is probable the series will consist of the regulation seven games, the winner of four or more becoming successor to the Indians as king of all diamonds.

1946: Verdicts Decried

PARIS — Dissatisfaction with the Nuremberg verdicts was evident in Paris last night [Oct. 1]. Rene Cassin, former judicial chief of the Free French Committee in London, stated that the acquittal of Hjalmar Schacht and Franz von Papen was "astonishing." Cassin expressed the fear that the Nuremberg tribunal may also reject further pursuit of the industrialists and scientists who implemented German barbarism.

هكذا من الاصل

OPINION/LETTERS

Clinton and Gingrich Finally Compromised

By David S. Broder

WASHINGTON — The lesson to be drawn from the last four years on Capitol Hill is that conflict does not automatically mean gridlock.

The two Congresses that have met since Bill Clinton became president have seen as much partisan battling as any in modern times. But as many noted with some surprise when the 104th wound up business on Monday, they also left a legacy more substantial than might have been imagined.

From the budget passed in 1993 over unanimous Republican opposition to the one negotiated between the White House and Republican leaders over the weekend, major steps have been taken to reduce the annual deficits and reposition America for the challenges of a new century. Notable social legislation in areas of health, education, welfare and employee benefits was passed and, despite many threats, nothing was done to seriously undercut foreign policy.

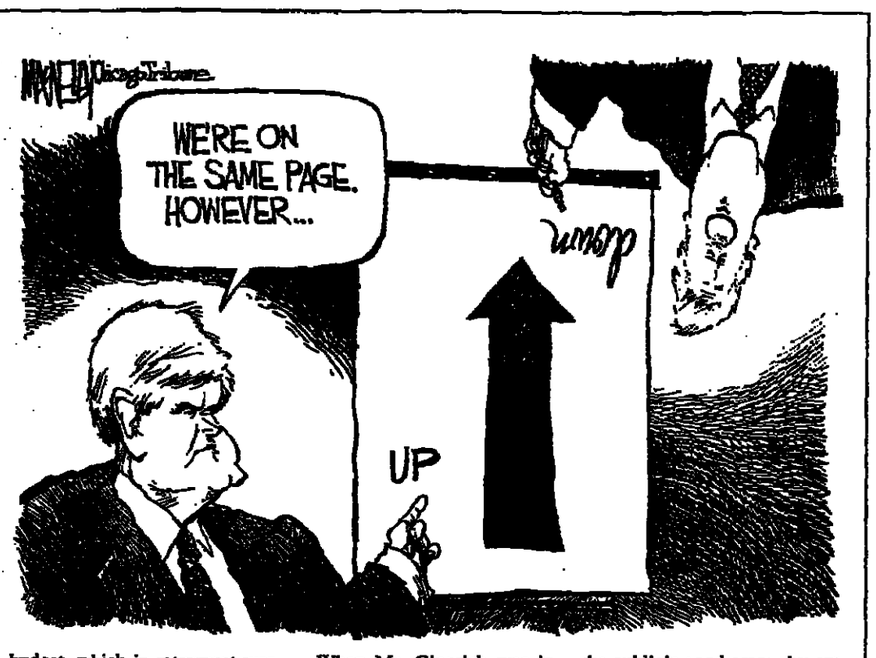
That summary probably gives the legislative branch more credit than it deserves. Measured against the challenges U.S. society faces, almost all the accomplishments except deficit reduction appear marginal or minimal. The core problems of a public school system that is failing far too many students, an urban underclass that turns to drugs and crime in the absence of jobs, and a health care system that squanders huge sums while leaving almost one-sixth of the people uninsured — all these remain substantially unaddressed.

But if you focus on what was done — rather than what was left undone — a pattern appears that is rather striking. It is the story of two men who overreached, were brought down and then found ways to recover. Put differently, it is the story of two parties that set out to enact ideological agendas, were punished and then found their way back to the center of the political road.

The two men, of course, are President Bill Clinton and the speaker of the House, Newt Gingrich, a Republican of Georgia. President Clinton reversed course between 1994 and 1995; Mr. Gingrich, between 1995 and 1996.

In the end, despite all the rhetoric and the recriminations, they have become more partners than antagonists.

In the euphoria of his election as the first Democratic president in 12 years, Mr. Clinton in 1993 heeded the advice of his party's congressional leaders and tried to advance an ambitious domestic program on partisan votes. It worked — barely — on his first budget, which in retrospect was his greatest achievement. It was a credible enough deficit reduction plan to allow the Federal Reserve Board to ratchet down interest rates and produce the remarkably healthy economy that is sustaining Mr. Clinton's re-election bid.



But when Mr. Clinton tried to muscle through his landmark health care plan by tailoring it to the Democratic left, he came a cropper. The ambitious proposal failed even to come to a vote in the House or Senate, and Republicans used it in the 1994 campaign as a symbol of big government run amok.

When Mr. Gingrich was installed as speaker by the first House Republican majority in 40 years, he too read more into his victory than was justified, treating the "Contract With America" as a mandate for a revolution in governmental policy.

As such initiatives go, the "Contract" was fairly successful; Republicans claim that 65 percent of its promises became law. But in the confrontation with Mr. Clinton last winter that led to two shutdowns of government, Mr. Gingrich and the Republicans were clearly the losers.

They have crawled back into the public's good graces by putting aside the ideology of that budget showdown and joining Mr. Clinton in enacting half a dozen major bills updating the law on everything from telecommunications to immigration.

The upshot is a considerable record of accomplishment, which may help incumbents of both parties in an era when voters are generally reluctant to give politicians credit for anything. This time, both parties have learned an important lesson — that democracy requires compromise.

The Washington Post.

Bull Riding, or Why Kids Should Play Badminton

By Guy Gugliotta

WASHINGTON — In competitive bull riding, the idea is to stay on for eight seconds and win the money. This is harder than it sounds, and when it doesn't work out, riders move to Plan B, which is to fall in the dirt and get away.

According to Ted Nuce, who rode about 175 bulls last year, even Plan B is harder than it sounds: "Bulls will come after you," Mr. Nuce said. "They don't just want to step on you. They want to run over top of you, or hook you. Their nature is to do that."

MEANWHILE

Rodeo bull riding may be slightly safer than pro boxing, but the permanent injury/maim factor is probably as high as any sport you can name.

Last month, the National Center for Injury Prevention and Control politely highlighted this in its "Morbidity and Mortality Weekly Report," which, as its name suggests, is not good for a laugh.

Working from a study of several absolutely awful cases of bull butting-stomping-goring in Louisiana, the center suggested that headgear might protect against "severe bull riding-associated brain and spinal cord injuries and permanent disability among young males."

This is not expected to be a popular finding among those who espouse the rodeo aesthetic of Stetson-wearing drawlers who sneer at danger and cure their aches with a shot and a beer.

But consider the Louisiana cases: a trampled 14-year-old boy unconscious for 16 days, now in a "persistent vegetative state"; a permanently disabled 28-year-old with two fractured vertebrae; a high schooler with "pronounced cognitive and behavioral impairments" after a bull butted him in the face.

"We're just pointing out that this is something that needs to be looked at," said the center's Joseph Sniezek. "Protecting the brain on bull riders is probably a good idea." Pointing things out is what the center does. Doing something about them is up to the rodeo, and it is not yet clear where the industry is headed.

"In my opinion, the guys doing the riding are the ones who ought to make the call," said Steve Fleming, spokesman for the 11,000-member Professional Rodeo Cowboy's Association.

Mr. Fleming disputes the center's contention that bull riding is rodeo's most injury-prone event, noting that bareback bronco riders, who can't use their legs to get a grip, get hurt more often since one arm bears the entire burden.

Still, Mr. Fleming says there is no question that bull riding offers "the greatest risk of being killed." Here's why: Math. Horses weigh about 1,200 pounds. Brahman bulls weigh 1,800 pounds. Horse sense. Critical for a successful rodeo bronco rider to have it. There is no such thing as "bull sense." Disposition. Horses will do anything they can to not step on a fallen rider. Bulls, as Mr. Nuce pointed out, have a different idea.

Mr. Nuce, 35, is a legend, with a world championship in 1985 and trips to the national finals for 14 straight years. In bull riding, Mr. Fleming said, 10 years is a very long time.

"I can't say that I was injury-free, but I was lucky," said Mr. Nuce, who retired to his Escalon, California, ranch a few weeks ago. "One time in the finals, I was unconscious for a day and a half, and I've broken my wrist and cracked my ribs."

But he lived to tell the tale. For a good part of his career, Mr. Nuce, like many riders, wore a flak jacket to protect against goring.

And in the finals last year Mr. Nuce wore a hockey helmet with a face guard. "Since I was one of the best guys, I thought I could set an example," Mr. Nuce said. "The kids wouldn't wear one because they'd afraid the other guys would call them a sissy."

Mr. Nuce earned $1.7 million in prize money in his career, and $200,000 in his best year — not chump change, but not Michael Jordan, either. Still, Mr. Nuce believes in helmets, because "people want to last longer."

"I don't care what it looks like," he added. "I think it will save a guy's life."

The Washington Post.

LETTERS TO THE EDITOR

Tudjman No Threat

Regarding "The Biggest Threat to Bosnia Isn't the Serbs" (Opinion, Sept. 23) by Jim Hoagland:

Mr. Hoagland's piece about Croatia and its president, Franjo Tudjman, lacks substance. What evidence does he provide to back up the assertion by an anonymous former American diplomat that Mr. Tudjman is "the most dangerous person for Bosnia's future"? None.

Croatia has played a crucial role in Bosnia's Muslim-Croat federation, and it continues to abide by all of the Dayton agreement's provisions. It may also be worth recalling that at one point in the Bosnian drama, Croatia was housing more than 150,000 Bosnian Muslim refugees.

TOMISLAV SUNIC.
Brussels.

The writer is counselor at Croatia's mission to the EU.

The ABCs

Regarding "If Bosnia's Voting Exercise Were Habit-Forming" (Opinion, Sept. 17) by Jim Hoagland:

Riding in a Humvee in Bosnia with Richard Holbrooke is certainly not helping Mr. Hoagland learn about one of the most elementary cultural features of the former Yugoslavia: the alphabet.

Mr. Hoagland claims that Cyrillic letters are incomprehensible to many Muslims. Yet before the civil war, only five years ago, all Yugoslavs were taught both Cyrillic and Latin alphabets in primary school. Even now, everyone, especially in Bosnia, can easily read both these alphabets.

LJUBOMIR PESKIREVIC.
Paris.

Playground Police State

I am not usually moved to write to newspapers about articles describing odd behavior, since in going about the business of international affairs one sees all varieties of bizarre human comportment, but "A Kiss Isn't Just a Kiss, if You're 6" *(Sept. 26)* is the sickest story I think I have ever read in your pages.

I refer to the story of the little boy of 6 who was suspended from school for giving a fellow (female) pupil a peck on the cheek.

Are we really supposed to believe that Jane Martin, the district spokeswoman — who said that "a 6-year-old kissing another 6-year-old is inappropriate behavior" — is totally ignorant of normal human development processes, has no formal training in child behavior or normal presexual development, and apparently never even went to school herself? Is everyone barking mad in America?

How, pray, is a 6-year-old kissing another 6-year-old inappropriate behavior?

I hope the boy's mother takes recourse to that great American pastime — litigation. However, I feel no amount of money could make up for the blow to this little boy's innocence, which could mark him for the rest of his life.

I am thankful people like Jane Martin have nothing to do with my children. They illustrate the moral vacuum at the heart of American society and increasingly throughout the West.

K. J. FLINT.
Sofia, Bulgaria.

BOOKS

THE REGULATORS

By Richard Bachman. 480 pages. $24.95. Dutton.

DESPERATION

By Stephen King. 688 pages. $27.95. Viking.

Reviewed by
Michael A. Morrison

WHAT is Stephen King up to now? No sooner has he regaled us with the final monthly installment of his six-part serial "The Green Mile" than he brings forth these two novels, simultaneously published, one under his name, one under that of his famous pseudonym. The first surprise is a new book by Richard Bachman, whom King laid to rest in 1985 after his exposure by an overeager fan — an event commemorated in his 1987 novel "The Dark Half." But in "The Regulators" and "Desperation," King offers surprises far greater than the resurrection of his literary alter ego.

Each novel stands alone. You can read either by itself or both in any order. Both are tales of flat-out supernatural horror, narrated in the garrulous, folksy voice King has honed to a precision instrument. Like the best of his "fairy tales for grownups," both are by turns surreal and sentimental, tragic and terrifying, sardonic and scary. But they are not independent.

Bachman situates "The Regulators" in middle America of the 1990s. On the 200 block of Poplar Street in the town of Wentworth, in the "high green perfect central Ohio summer dead-smash in the middle of July," it's a good life. At one end of the block lives Collie Entragian, an ex-cop who was busted from the Columbus Police Department on a trumped-up drug charge; at the other, Johnny Marinville, a once-promising novelist who now churns out children's books about a cat detective. Next door are the Carvers: David, his wife Kirsten, and their kids Ralph and Ellie. Across the way is the house where Audrey Wyler cares for her autistic 6-year-old nephew Seth Garin. Things could hardly be more ordinary.

But the monsters are due on Poplar Street. Even now, five brightly colored, futuristic vans wend their way towards the street. Inside are a bizarre array of creatures as heavily armed as the Wild Bunch. And their first drive-by shooting, perpetrated by whatever inhabits the red van, is just the first salvo in the siege of Poplar Street, a protracted assault not only on the lives of its residents but on the fabric of reality itself.

"The Regulators" is less akin to the other Bachman books than to King's "The Mist" and "The Langoliers." All three feature a handful of more-or-less ordinary Americans who find themselves inexplicably isolated from the rest of the world and besieged by supernatural forces of unknown origin. And, as in those earlier novellas,

The fantasy elements in Bachman's novel strongly evoke "The Twilight Zone," an acknowledged influence on King's pop-culture inspired fiction. But if reading "The Regulators" feels like watching a taut Rod Serling script directed by Sam Peckinpah, reading "Desperation" feels like screening a rambling spaghetti western directed by Sam Raimi.

The Nevada town of Desperation — a few stores, a couple of streets worth of houses and trailers, and, at least until the town deputy ran amok, about 250 people — seems a world apart from Wentworth. Here a handful of travelers are plucked at random from nearby U.S. 50 and imprisoned by the town deputy. But this guy is no ordinary cop. For one thing, he's huge. "at least six-five. And over two-hundred and fifty pounds." His eyes are dead, his voice robotic. He sometimes spouts poetry, wacky metaphysics, or, more often, virulent abuse. He's prone to unprovoked explosions of violence. In fact, he's quite unhuman. But the evil entity that possesses him is using him up.

By the time he imprisons a 56-year-old once-promising writer named Johnny who was crossing America in search of material for a book, town deputy Collie Entragian appears to his prisoners as "a kind of blood gorgon, a creature who appeared to be disintegrating before their very eyes." Their only hope seems to be David Carver. Although jailed along with his parents Ralph and Ellen, 11-year-old David has an edge: a personal communication link to God.

King's primary concerns in "The Regulators" and "Desperation" are familiar: the special perspective of a writer, the importance of intuition, the loss of community in contemporary America, and so on. But "Desperation" stands out as his most overtly religious book, taking on no less an issue than the nature of God and turning on the tension between faith and willed unbelief, "the spiritual state of desperation." For all its mysteries, monsters and gore, "Desperation" builds to a climax reminiscent of King's epic "The Stand," a crisis of faith in which characters make terrible choices with consequences far beyond mere survival.

If you read either book, you'll want to read the other, for they are related by more than a publication date. King has explicitly linked novels before — by shared Maine settings (Castle Rock, Derry), for example, or shared event (the 1963 solar eclipse in "Gerald's Game" and "Dolores Claiborne") — but never so intricately as in these twinned novels. The worlds of Wentworth and Desperation are the same, yet different. Tak, the monstrous entity buried deep inside a mine outside Desperation, appears in both books, as do most of the protagonists. But Collie Entragian, the deputy-turned-monster of "Desperation," is not the ex-cop who lives on Poplar Street. The Carvers he imprisons in the Desperation jail come from Wentworth, but their roles are the inverse of those in "The Regulators."

And the petulant, self-indulgent Johnny Marinville in the next holding cell is hardly the heroic Johnny of "The Regulators."

Is all this just gimmicky? Is America's storyteller putting us on? I don't think so. The subtle interconnections King weaves through this diptych of terror resonate in the mind long after both books are finished. Separately, each is a compelling tale of supernatural horror; together they constitute a tour-de-force. King's second this year, and I'll wager his "constant readers" will relish their visits to Wentworth and Desperation as much as the long trek down "The Green Mile."

Michael A. Morrison, a faculty member at the University of Oklahoma and co-editor of "A Dark Night's Dreaming: Contemporary American Horror Fiction," wrote this for The Washington Post.

BEST SELLERS

New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

This Week		Last Week	Wks on List
	FICTION		
1	EXECUTIVE ORDERS, by Tom Clancy	1	5
2	JACK AND JILL, by James Patterson	5	2
3	THE RUNAWAY JURY, by John Grisham	3	18
4	THE LAST DON, by Mario Puzo	4	8
5	SERVANT OF THE BONES, by Anne Rice	2	7
6	THE CELESTINE PROPHECY, by James Redfield	8	135
7	FALLING UP, by Shel Silverstein	7	17
8	THE TENTH INSIGHT, by James Redfield	9	21
9	CAUSE OF DEATH, by Patricia Cornwell	6	11
10	MY MANY COLORED DAYS, by Dr. Seuss		1
11	LEGEND, by Jude Deveraux		1
12	THE BURNING MAN, by Phillip Margolin	11	3
13	HOW STELLA GOT HER GROOVE BACK, by Terry McMillan	10	20
14	OUT OF SIGHT; by Elmore Leonard	12	3
15	THE LAST THING HE WANTED, by Joan Didion		1
	NONFICTION		
1	THE DILBERT PRINCIPLE, by Scott Adams	1	22
2	THE RUN OF HIS LIFE, by Jeffrey Toobin	1	
3	UNLIMITED ACCESS, by Gary Aldrich	2	11
4	HOW GOOD DO WE HAVE TO BE?, by Harold S. Kushner		1
5	UNDAUNTED COURAGE, by Stephen E. Ambrose	4	30
6	ALL TOO HUMAN, by Edward Klein	3	4
7	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	5	126
8	EMOTIONAL INTELLIGENCE, by Daniel Goleman	9	52
9	OUTRAGE, by Vincent Bugliosi	10	15
10	ANGELA'S ASHES, by Frank McCourt	15	2
11	BAD AS I WANNA BE, by Dennis Rodman with Tim Keown	7	20
12	THE DARK SIDE OF THE GAME, by Tim Green		1
13	HOW COULD YOU DO THAT?! by Laura Schlessinger	11	34
14	BETWEEN HOPE AND HISTORY, by Bill Clinton	14	3
15	BARE KNUCKLES AND BACK ROOMS, by Ed Rollins with Tom DeFrank	8	6
	ADVICE, HOW-TO AND MISCELLANEOUS		
1	MAKE THE CONNECTION, by Bob Greene and Oprah Winfrey		1
2	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	2	175
3	THE ZONE, by Barry Sears with Bill Lawren	1	28
4	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	3	26

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Champhy
Cuba
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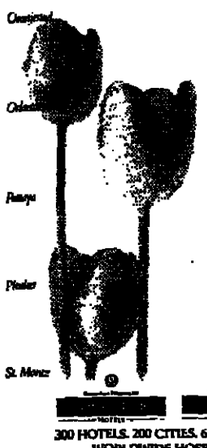

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INTERNATIONAL

Paul J. Richards/Agence France-Presse

Mr. Arafat, King Hussein, Mr. Clinton and Mr. Netanyahu after their meeting at the White House on Tuesday.

In Israel, Violence Brings Grief, Hard Attitudes, Longing for Peace

By Barton Gellman
Washington Post Service

EFRAT, Israeli-Occupied West Bank — In an open-air shelter of wood and reeds outside his fine stone home, Hannoch Amior spread out an armload of photographs. But grief kept deflecting his eyes.

There, on a baby album's first page, his son Amikam struggled to raise his head. Four years later, on another page, the little boy drew with bold reds and yellows and blues. Still another page brought an older child at the zoo, laughing at a camel's ungainly stoop. And finally came the soldier of 21, baby-faced and smiling, not long before he died Thursday in the worst day of violence between Israelis and Palestinians since 1967.

The elder Amior, surrounded by friends and family in the sukkah built by observant Jews for this harvest holiday of Sukkoth, labored to find meaning in the burst of Palestinian rifle fire that felled his son near Khan Younis in the Gaza Strip. The meaning he found — like the rival versions offered by other Israelis interviewed — was a confirmation of long-held views on the Israeli-Arab conflict and its future.

"The so-called Palestinian police," he said in this Jewish settlement near Bethlehem, "still think they can push us off the land and take control." Peace accords negotiated thus far, he said, have granted "presents and one-sided concessions" to Yasser Arafat, each of which "became a weapon of war in his hands." And Amikam, his middle son, died because "our Jewish struggle to achieve the conditions of a normal nation is not yet recognized by our neighbors."

Another meaning entirely came from the men and women who felt drawn today to make a pilgrimage to the Mount Herzl grave of Yitzhak Rabin, the slain prime minister who first shook Mr. Arafat's hand.

Handwritten laments near the black-and-white marble monument, on a hilltop fragrant with rosemary and pine, mourned the loss of a leader who knew how to stand up for Jewish strength but was willing to recognize the nationhood of Palestinians.

"It's been a long time I've been intending to come, and I had to come especially now with all that has been happening in the country," said Ilanit Bin Nun, 26, a municipal worker in the town of Macabbim. "It hurts that all Rabin worked for is over. Peace is over. The Palestinians are responsible no less than we are, but the peace is over because of our government's policy," he added.

"Until Rabin was assassinated and as long as former prime minister Shimon Peres was in power, they kept their commitments to the Palestinians. The minute Prime Minister Benjamin Netanyahu came in, he hasn't kept to one provision of the contract, and it made the Arabs angry."

Left and right, secular and religious, the old rifts among Israeli Jews were only deepened by the explosion of violence last week that left 56 Palestinians and 15 Israeli soldiers dead. If minds were changed, the evidence was not available yet.

"The people who have clear positions harden them," said an independent pollster, Hannoch Smith. "When you have these kinds of events, the natural instinct is to return to your roots."

'People who have clear positions harden them. With these kinds of events, the instinct is to return to your roots.'

In this highly politicized society, many Israelis interviewed fell into predictable patterns of ascribing blame. Arabs "are not looking for peace, they're looking for action," said Moshe Bernstin, 25, a fish seller interviewed at the Western Wall who was wearing the black caftan and black fur hat of an ultra-Orthodox Jew. "They're always looking for another thing to fight about."

Mr. Netanyahu knew he "was sitting on a powder keg," retorted Vered Rahamim, a television producer. "He didn't have to push Arafat to the wall."

But some seemed uncertain how to react, and it is their verdict as time goes on that will be the measure of Mr. Netanyahu's freedom to hold to his course.

David Cohen, a Jerusalem carpenter, had to postpone a job because one of his key employees was shot and killed by Israeli police after Friday prayers at Al Aqsa Mosque, on the hill known to Jews as the Temple Mount and to Arabs as Haram as-Sharif. Mr. Cohen trusted Ayman Itkadik, 26, as much as he had ever trusted any Arab. He knew Mr. Itkadik was a devout Muslim, and suspected him of nationalist views, but they had the kind of camaraderie that comes when people work together with their hands for years.

"I taught him the trade, and he was getting married next month, so I let him use the workshop — I even gave him the keys — so he could make the kitchen cabinets and bedroom for his new house," Mr. Cohen said. "He would never throw stones. He was always far away from things like that."

Mr. Cohen voted in May for the ultra-Orthodox Shas party in Israel's Parliament, a part of the governing coalition. He is inclined to believe instinctively, as most Israelis do, in the overall competence and truthfulness of the army and police. And so when the police said they killed only in self-defense during the confrontation on the Temple Mount, Mr. Cohen grappled for an explanation of Mr. Itkadik's presence in the drama.

"I know only one thing: that when I used to take him home, I used to take him around the checkpoints so he wouldn't have any trouble," he said. "How do I say it? I'm for peace, and all that comes out of that. They should just make peace and there shouldn't be war."

■ Israeli Poll on Tunnel

Most Israeli Jews think it was a mistake to open the Western Wall tunnel that set off Palestinian protests, but do not think the tunnel should be closed now, according to a poll published Tuesday, The Associated Press reported.

Of the 521 Israeli Jews polled, 54 percent said they thought opening the tunnel last Tuesday was wrong, while 46 percent said they thought it was right. But 60.5 percent said they thought Israel should keep the tunnel open, despite international pressure to close it, while 39.5 percent said it should be closed.

The poll, conducted Monday by the Panorama Research Institute for the Ma'ariv newspaper, had a margin of error of plus or minus 4 percentage points.

The poll also found that 79.5 percent support the continued implementation of the Israel-Palestinian peace accords, which gave the Palestinians autonomy in most populated areas of the West Bank and Gaza Strip, and 57 percent said they were not satisfied with Mr. Netanyahu's performance following the opening of the tunnel and the resulting violence.

SUMMIT: *Clinton Says 'Good Conversations' Open Mideast Talks*

Continued from Page 1

agreement signed in Washington in September 1993, which provided for Palestinian self-rule in the West Bank and Gaza.

On the eve of the meeting, Mr. Netanyahu offered to hold continuous negotiations with the Palestinians, beginning next week, until all obstacles to carrying out the peace accords were removed. But he also showed no willingness to compromise.

"We don't rule out other people making gestures to us," he said.

The meetings are taking place in the White House and in Blair House, across Pennsylvania Avenue.

Before his session with Mr. Clinton, Mr. Arafat met at a Washington hotel with King Hussein.

The Palestinian leader traveled with a heavily armed escort. Black security vans preceded and followed his car, with automatic weapons protruding from their windows.

Mr. Arafat also met privately with the Egyptian foreign minister, Amr Moussa, who was representing President Hosni Mubarak, who declined to attend.

In Cairo, Mr. Mubarak made clear his reason for turning down Mr. Clinton's invitation.

He said he appreciated the peace-making efforts of the American president but wanted to display his own strong concerns about what he called "the obstinate situation in Israel."

Until Palestinians could begin to feel confidence in the peace process, he said, "I think it is detrimental to attend and listen and agree to what Mr. Netanyahu said."

■ EU Rebukes Israel

The European Union rebuked Israel on Tuesday, saying that it failed to meet its obligations in the peace process, Reuters reported.

EU foreign ministers, meeting in Luxembourg, expressed clear frustration with Israel. Although the ministers said they were not apportioning blame to any side, it was clear from the tone that Israeli actions were regarded as the catalyst for the latest troubles.

Calling for restraint by both sides, they said Israel should reconsider its opening of the tunnel entrance, should reopen crossings to the West Bank and Gaza and should withdraw from Hebron.

The European Union "calls on Israel to match its stated commitment to the peace process with complete actions to fulfill its obligations," a statement said.

CHIRAC: *Remark on Currency Alarms Italy*

Continued from Page 1

62.5 trillion lire ($41 billion) in an attempt to prove to its EU partners that it would meet the low-deficit requirement for monetary union. Meanwhile, aides to Mr. Prodi summoned the French ambassador in Rome for an explanation and threatened to call off Thursday's French Italian summit meeting.

That prompted Mr. Chirac to change his tune, telling reporters later in Arras that the Italian budget showed the government's determination to join the single currency at the outset. "I ardently hoped it will succeed," he said.

Mr. Chirac rarely has kind words to say when it comes to Italy. His government proposed erecting trade barriers within Europe's single market after the nearly 40 percent fall in the lira in 1994 and 1995 hit France's auto, textile and agricultural industries. And he responded venomously last year when Rome dared to criticize his decision to resume French nuclear tests in the South Pacific, calling off a meeting with then-Prime Minister Lamberto Dini. But the intention of Mr. Chirac's latest criticism is far more complex, officials and analysts said.

France is keen to have southern EU states join the single currency, both to prevent any future devaluations and to offset the preponderant influence of Germany on European economic and monetary policy.

For example, Finance Minister Jean Arthuis has campaigned recently for the creation of a stability council of finance ministers to wield some political control over the future European Central Bank, which Germany wants to be as independent as today's Bundesbank.

Unfortunately for Paris, Italian participation in the Euro appears unlikely in 1999. Many analysts doubt whether it can achieve its deficit target given the stagnation of Italy's economy. Italy's outstanding debt stands at more than 120 percent of gross domestic product, double the single-currency requirement. And perhaps most important, the prospect of Italian membership frightens Germans, given the lira's record of weakness.

Christopher Potts, economist at the brokerage Chevreux de Virieu in Paris, said Mr. Chirac's real aim is to ensure that southern Europe isn't shut out even if Italy is excluded from monetary union initially. "What they're really playing for is to get Spanish participation accepted" by Germany, Mr. Potts said.

In the meantime, he said, Mr. Chirac's criticism should help goad Italy into bringing the lira back into Europe's exchange-rate mechanism around the current rate of 1,000 to the Deutsche mark.

Mr. Prodi has stated his objective of pegging the lira, which was ejected from the mechanism in 1992, this fall.

Mr. Dini effectively endorsed this view on Tuesday, saying he regarded Mr. Chirac's comments as "a stimulus, certainly not a criticism or an attack."

Mubarak Doubts Summit Will Achieve Goals

By John Lancaster
Washington Post Service

CAIRO — President Hosni Mubarak of Egypt has told an Israeli newspaper that he turned down President Bill Clinton's invitation to attend this week's emergency summit on Middle East peace because he did not believe the meeting would achieve anything.

In an interview published Tuesday in the Ma'ariv newspaper, Mr. Mubarak said the United States did not make adequate preparations for the meeting and that he doubted that Prime Minister Benjamin Netanyahu of Israel was sincere about reaching a peaceful settlement.

"I told Clinton that I think there is a need for prior preparations to insure that there will be some results from the summit," Mr. Mubarak was quoted as saying. "Otherwise there will be no use."

Mr. Mubarak is hardly alone in his pessimism after Israel's opening last week of an archaeological tunnel near the Al Aqsa Mosque set off violent clashes between Palestinians and Israeli troops.

But his decision to snub Mr. Clinton's invitation, and then to air his reasons for doing so, marks a striking departure for one of Washington's closest regional allies.

His comments reflected widespread skepticism in Cairo and other Arab capitals of Mr. Clinton's ability — or willingness — to exert pressure on Israel, especially during the height of a presidential campaign.

Egyptian officials expressed anger over Mr. Netanyahu's refusal to close the tunnel or to suggest other concrete steps that might ease tensions, such as withdrawing Israeli troops from the West Bank city of Hebron.

"The statements that came out of the prime minister of Israel were discouraging to a great extent," Mr. Mubarak said in Cairo on Tuesday. "He was challenging public opinion in the Arab world, in the Muslim world and the Christian world."

He praised Mr. Clinton's peace-making efforts and said he had offered his help in making the summit a success, short of actually showing up.

He said, however, that he could not afford to pay the domestic political price of attending in light of deep anger harbored by ordinary Egyptians toward Israel after last week's violence.

"Our absence does give an indication that we are not pleased with the situation and obstinate acts of Israel concerning the Palestinians," Mr. Mubarak said at the inauguration of a new subway line in Cairo.

After the election of Mr. Netanyahu's government in May, Mr. Mubarak counseled fellow Arabs to give the Israeli leader time to form a new government and show his intentions. His first meeting with Mr. Netanyahu, in July, produced a handshake and mutual expressions of goodwill.

Now, he says, his patience is running out.

"I gave him one chance, a second, a third. He called me from Paris" during last week's crisis.

"I told him, 'Netanyahu, do something. Redeploy in Hebron, so that people can see you are doing something.' He did not respond. He just went on to another subject."

Frances Lear Dies, Founded Lear's Magazine

New York Times Service

NEW YORK — Frances Lear, 73, a mercurial figure in the media world who spent $25 million of her divorce settlement to start a magazine named after herself, died Monday at her home in Manhattan.

She died of breast cancer, said Dr. Jonathan LaPook, her son-in-law.

Ms. Lear was married for 28 years to Norman Lear, the highly successful television producer of such situation comedies as "All in the Family" and "Maude."

Her divorce settlement from Mr. Lear, an amount variously estimated at $100 million to $112 million, was one of the largest ever recorded.

"I was very much a part of his thinking," she often said, justifying the amount of the settlement.

"Norman could not have done his shows without me."

It is generally considered — and she herself claimed — that she was the inspiration for Maude, the feisty and opinionated title character played by Bea Arthur.

Lear's began publication in 1988 and was a success.

It began with a circulation base of 250,000 and grew to 350,000 in a year. But after two years, Ms. Lear abandoned her original concept and lowered the age of the theoretical Lear's woman to over 35.

Abandoning the older-age niche put the magazine into competition with other women's magazines.

And its advertising never recovered from the move.

Although circulation was more than 400,000 in its final months, Lear's ceased publication in March 1994.

It had lost an estimated $25 million to $30 million in its six years of operation.

FROGS: *Scientists Are Disturbed by Recurrent Deformities*

Continued from Page 1

Joe Tietge, the Environmental Protection Agency research biologist who organized the conference, said he was unsure how to label the problem just yet. "It's certainly safe to say it's an environmental problem," he said. "It's just not normal to see deformed animals."

Nor is it pleasant. Scientists at last week's conference were appalled at the graphic evidence presented to them — most notably by photographs of hideously deformed frogs shown by David Hoppe, a herpetologist from the University of Minnesota's Morris campus. Dr. Hoppe is a member of a research team from the university and the pollution agency that received an emergency grant of $123,000 from the Minnesota legislature to study the frog problem last summer.

The team, which could scarcely keep up with the reports pouring in from all over the state, found frogs with missing legs, extra legs, misshapen legs, paralyzed legs that stuck out from the body at odd places and legs that were fused to the body. They also found frogs with missing eyes. One memorable specimen was a one-eyed frog that turned out to have the second eye growing inside its throat.

Virtually all of Minnesota's deformed frogs die quickly, turning up in smaller and smaller numbers as the season progresses. Frogs with compromised limbs cannot feed themselves or escape from predators. Dr. Hoppe said it was rare to find an adult frog with a substantial limb abnormality.

In the meantime, Dr. Hoppe conceded that nobody knew what to tell people in Minnesota who want to know what all this might mean to them.

"The landowner up in Crow Wing County asked me if he should stop his kids from swimming in the lake," he said. "And I had to say that I just didn't know. But I told him that I wouldn't let my kids near it."

"At first I thought this was no big deal," said Robert McKinnell, a geneticist and cancer expert at the University of Minnesota who has been doing research on frogs since 1958. "In my experience, you occasionally find abnormal frogs wherever you find frogs."

But when he visited these sites, he began having uncomfortable recollections of work he had done in the early 1980s, when he was one of the researchers who confirmed chromosomal abnormalities in people living near Love Canal, the neighborhood in Niagara Falls, New York, that had to be abandoned.

Tissues from Minnesota's deformed frogs have been undergoing chromosomal analysis at Augustana College in South Dakota. So far, the results are negative — suggesting that the deformities are not genetic mutations but developmental abnormalities that begin in the egg or tadpole stage prior to metamorphosis.

The possibilities raised at the conference last week appear almost limitless. Early evidence points to something in the water where the frogs breed and develop, and in which they spend every stage of life. Their skin is highly permeable: What gets in the water can get into the frogs.

The researchers believe that the most probable cause is an environmental degradation caused by some kind of chemical pollutant. One study from Canada has established a relationship between frog deformities and the local use of farm pesticides.

Dr. Tietge, the research biologist, says the Environmental Protection Agency will almost certainly get involved in the research — which he said is likely to take several years.

EUTHANASIA: *Court Takes Up Issue*

Continued from Page 1

turn that ruling. But Kathryn Tucker, who is representing the Washington and New York physicians who challenged the bans, argued that mentally competent adults should be able to choose to end their lives in a "certain, humane and dignified manner."

"I think it is a good thing" that the court will hear the states' appeals, Ms. Tucker said Tuesday.

"We have always said that these cases are extremely important and of national significance. This is a real opportunity for all competent dying patients to gain the right to hasten death."

Thirty states have banned physician-assisted suicide.

The court will hear oral arguments on the case early next year and a decision is expected by the summer.

The justices will be examining two rulings: The 9th Circuit Court of Appeals found a fundamental right to assisted suicide in the liberty protections of the due process clause in the 14th Amendment to the Constitution. The 2d Circuit Court of Appeals ruled that the Constitution's equal-protection guarantee gives terminally ill people the same right to hasten death through drugs as they have to refuse artificial life support.

The last time the high court took up an aspect of the "right to die" issue, in 1990, the justices ruled that a person has a constitutionally protected liberty interest in refusing unwanted medical treatment.

But the court, by a 5-to-4 vote, also upheld a Missouri requirement that evidence of a comatose patient's wishes for the withdrawal of treatment be clear and convincing. The case involved a woman who was in a persistent vegetative state and whose parents wanted to end artificial life supports.

"State legislatures should have the ability to make changes in the law as our medical abilities and cultural attitudes change, or as they don't change," Bill Williams, Washington state's senior assistant attorney general, said Tuesday. "We're trying to protect to the maximum extent possible our legislature and our people." In 1991, Washington voters rejected a referendum that would have permitted a form of physician-assisted suicide.

Ms. Tucker countered that legislatures will still have an important role in regulating methods and safeguards if the court finds a constitutional right for assisted suicide, just as the states now do with "living wills" that allow the withdrawal of life support systems.

The American Medical Association submitted a "friend of the court" brief on the side of the states, saying at one point "most patients who seek to hasten death change their minds when their pain is successfully controlled."

Unabomber Suspect Indicted in New Jersey

The Associated Press

WASHINGTON — A federal grand jury indicted Theodore Kaczynski on Tuesday in the Unabomber mail bomb attack that killed an advertising executive in New Jersey in 1994.

Already charged in seven other Unabomber bombings in five states, Mr. Kaczynski was named in three counts returned by a panel in Newark, New Jersey, in the Dec. 10, 1994, killing of Thomas J. Mosser.

The Justice Department said it would prosecute the New Jersey indictment after Mr. Kaczynski's impending trial in Sacramento, California.

The 54-year-old former Berkeley math professor pleaded not guilty in June to a 10-count federal indictment in California. It charged him with four bombings. One killed a computer store owner in 1985, another a timber industry lobbyist in 1995 and two others maimed a University of California geneticist and a Yale computer expert in 1993. Mr. Kaczynski was arrested April 3.

TRADE: *EU Taking Dispute With U.S. to World Organization*

Continued from Page 1

talks on liberalizing telecommunications services, in parallel with a similar promise by Washington, on the condition that the fast-growing economies of Asia open their telephone markets.

Foreign Minister Malcolm Rifkind of Britain dismissed suggestions of a looming trade war, calling the dispute "an honest difference of opinion between friends." He also left open the possibility of a negotiated solution after the U.S. election, noting that it will take a little over one month just to appoint a World Trade Organization panel.

The risk of a challenge in the trade organization is two-fold. If the United States prevails, it would set a precedent for countries to violate trade rules by citing national security. If Washington loses, it could arouse fresh opposition to the organization from protectionist forces in the United States.

But EU officials clearly believe they can win their case, saying U.S. security is not threatened by European investment in Cuban hotels, stores and agricultural ventures.

"What's the use of creating a dispute settlement mechanism if you are afraid of using it?" Sir Leon asked.

Mr. Eizenstat said he would travel to European capitals later this month to lobby anew for joint U.S.-EU efforts to promote democracy in Cuba and fight terrorism. Any progress there could persuade President Clinton to use his discretion to limit the impact of the two trade laws on European companies, he said.

Mr. Clinton already has suspended for six months a provision of the Helms-Burton law that allows private individuals to sue foreign companies using properties seized in Cuba during the Castro revolution, a move that Europeans have called positive but insufficient.

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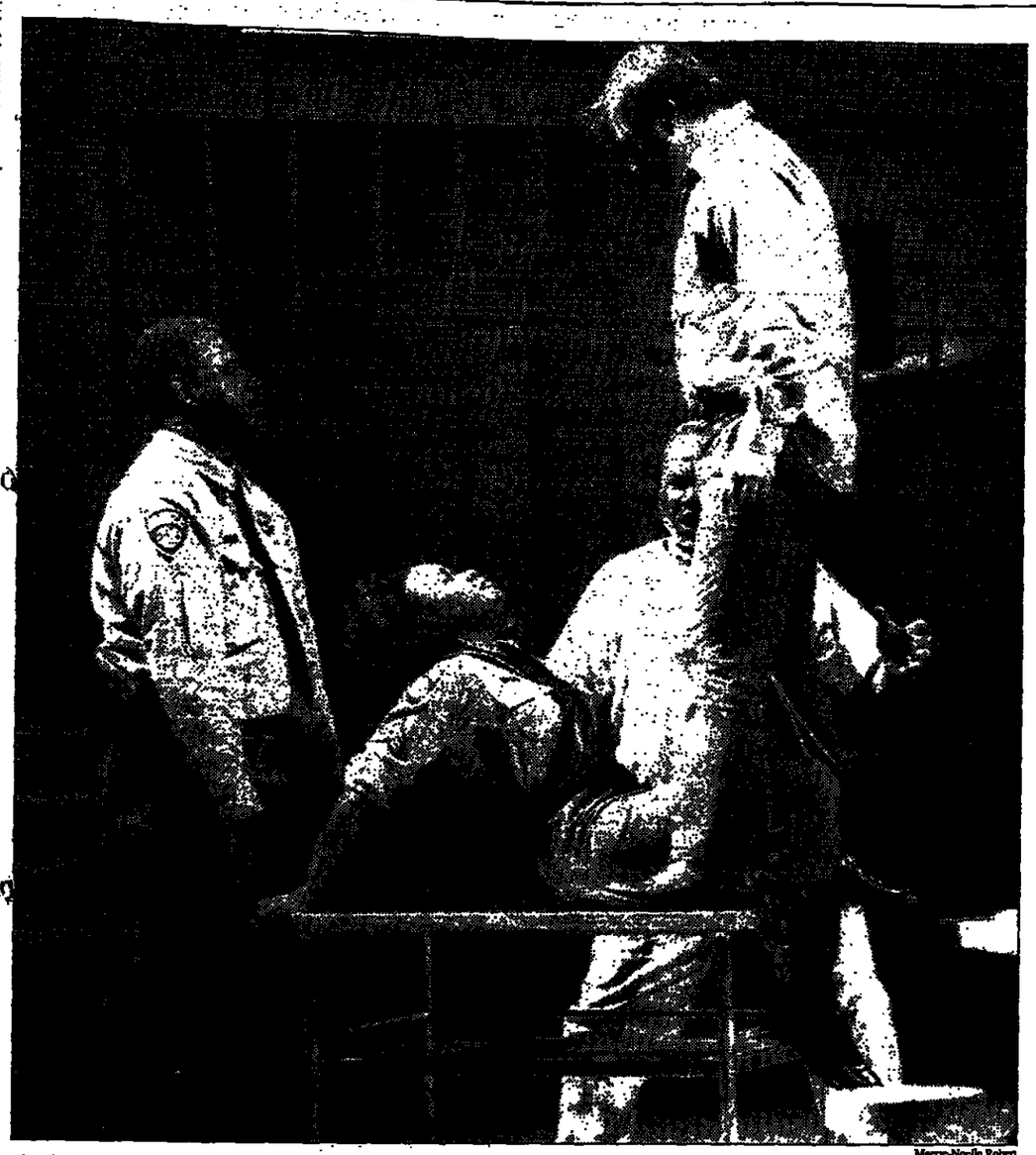
STAGE/ENTERTAINMENT

TOMORROW: HEALTH SCIENCE



Maeve Noelle Roben

A scene from Stravinksy's "The Rake's Progress," in a radical new staging by Peter Sellars in Paris.

'The Rake' Progresses to Prison

By David Stevens
International Herald Tribune

PARIS — The Chatelet Theater has launched its Stravinsky year with an explosion set off by Peter Sellars's radical rereading of the composer's "The Rake's Progress," a staging that at the first performance unleashed a noisy demonstration of support and rejection but seemed to leave no one indifferent.

In many ways, this spectacle is like some exotic Southern California import. The composer was living there when he, with W.H. Auden and Chester Kallman, produced this, the only full-scale, three-act traditional opera among Stravinsky's 10 or so works that can lay some claim to being operatic.

And in the pit for this production is the Los Angeles Philharmonic, in impressive form under its Finnish music director, Esa-Pekka Salonen. The orchestra is in residence for several weeks, playing for the opera and giving several concerts.

Sellars, too, is currently based in Los Angeles, as a festival director and teacher. But the most radical aspect of this staging is that Sellars has torn off what he sees as the neoclassical, quasi-Mozartian mask of "The Rake's Progress" and dropped it into a prison-cum-madhouse context. This "Rake" does not merely end with Tom Rakewell in Bedlam, it begins there and there is no escape.

The context is reinforced by an unsigned program article citing the record prison population of the United States and of California in particular, with reference to the effects of such specialties as the "three strikes" law.

Thus, Adrianne Lobel's single set is institutional, to say the least, with a two-level rank of barred cells as a backdrop and to contain the chorus, cramped solitary confinement cells at the front of the stage, and a kind of watchtower that serves as a haven for Father Trulove, who appears from time to time like some kind of avuncular warden.

THERE are some arresting juxtapositions between libretto and stage. The brothel scene with its choruses of Whores and Roaring Boys takes place in a kind of prison yard. Baba the Turk (unbearded) and Mother Goose both appear to be uniformed women guards, and when Tom silences Baba, he does it so definitively that when Baba makes her reappearance in the auction scene she has to be removed from a body bag so she can resume her tirade.

But much of the time, the distance from the artificial 18th century of Stravinsky and Auden to the harsh reality of the Sellars prison-asylum system is too far to negotiate.

The suspicion grows that Stravinsky's intellectual property has been hijacked to deliver a different message. The Progress of the Rake may be all downward, but here there is no progress: His goose is cooked from the start, especially in California.

That said, what Sellars has chosen to put on stage he has put there meticulously, and musically it would be hard to imagine anything surpassing what is delivered by a superb cast of singing actors as well as by Salonen and his orchestra.

Dawn Upshaw's radiantly clear soprano makes her an ideal Anne Trulove, Paul Groves's fluent lyric tenor was well employed as Tom, and Willard White was the amiably sonorous Nick Shadow. Donald McIntyre as Father Trulove is decidedly luxury casting, and John Duykers was hilarious as the demented auctioneer. Denyce Graves as Baba and Victoria Vergara as Mother Goose scored their points, even though both are deprived of important attributes in this staging, while Zelotes Edmund Toliver was effective in his brief duties as the Keeper of the madhouse.

'Great' Films, No Market

By Linda Lee
New York Times Service

NEW YORK — If times are tough now for foreign-language films in the United States, they are almost impossible for Eastern European movies. That fact would probably be little noticed or lamented except that a handful of this year's most critically acclaimed films, works that were discovered at the Cannes, Montreal and Toronto film festivals, were made in Russia and Eastern Europe. Most of them have not found U.S. distributors.

Many in the art-film world say the situation is particularly regrettable because this could be the time for Eastern European films to burst upon the American consciousness, much as Chinese films did six years ago.

"You know why these films are so great," said Jonathan Weisgal, executive vice president of Fine Line. "The filmmakers have real material that inspires them. The cap's been on the bottle for so long, and now it's open. Incredible stuff is coming out. But how do you build a market for that?"

"Prisoner of the Mountains," a new film by the Russian director Sergei Bodrov about two Russian soldiers who are taken captive by Chechnyans, won a number of prizes at Cannes and was shown at the Toronto International Film Festival, which ended two weeks ago. But there has been only one offer, from Orion Pictures, for less than $200,000 for U.S. and some Canadian rights.

"Eastern European films traditionally have been harder sells, because of their nature and content," said Bingham Ray, a senior executive at October Films. "American audiences are not that well versed in what's going on over there. They just don't care."

Piers Handling, the director of programming for the Toronto festival, echoed those sentiments. "It will be a challenge for any small distributor to sell a Russian film," he said. "There's extreme resistance to seeing a serious film about Chechnya or politics."

He noted, however, that one film about Bosnia was picked up at the Toronto festival, Jean-Luc Godard's "For Ever Mozart." Dan Talbot of New Yorker Films bought distribution rights to the French film, a complex meditation on art and politics set in Sarajevo. "Brave move for Dan," Handling said.

Bodrov, who was born in Siberia but now lives in Los Angeles, has made five previous films, none of which have been distributed in the United States. "We discovered Bodrov a few years ago," said Serge Losique, the director of the Montreal World Film Festival.

BODROV'S film "Freedom Is Paradise," about a teenage boy in a Stalinist reform school, won the top prize at Montreal in 1989. "It was distributed in Canada," Losique said. "But in the U.S., no."

Ray also noted the lack of an American buyer at Cannes for "Vaska," a Hungarian film fable set in Soviet-era Leningrad, as well as the difficulty that Ciby 2000, the French independent production company, is having in finding a U.S. distributor for "Underground," the 1995 film by the Bosnian director Emir Kusturica. "Underground" is to be shown Oct. 12 as part of the New York Film Festival.

Next month the Walter Reade Theater in New York will begin a series of eight films directed by Russian women. None of the films has ever been distributed in the United States, although a 1976 movie about two Russian soldiers on the run in Nazi Germany, "The Ascent," by Larisa Shepitko, was honored at the Berlin Film Festival.

Even Eastern European films that do find distributors, like "Before the Rain," by a Macedonian director, Milcho Manchevski, often fail to find audiences. "Before the Rain," a 1994 film about ethnic strife in Macedonia, made less than $1 million at the box office for its distributor, Gramercy Pictures, despite an Oscar nomination and strong reviews.

"Burnt by the Sun," the Russian movie, was hailed as a masterpiece and won the Oscar for best foreign-language film in 1994. That Oscar, however, did not help the film, distributed by Sony Pictures Classics, as much as Academy Awards had for Sony's films in the two previous years.

"Indochine," a French film, made $7 million at the box office, and "Belle Epoque," from Spain, made $6 million. But "Burnt by the Sun" made only $3.3 million.

"What was difficult about marketing 'Burnt by the Sun' was that every review referred in the first paragraph to the Stalinist purges," said Michael Barker, a co-president of Sony Pictures Classics. "There's a lot of major talent coming out of Eastern Europe, but all those films have deep, dark themes."

China-Style Prada, Ugly to Pretty

By Suzy Menkes
International Herald Tribune

MILAN — A sweet-and-sour show by Prada opened the Milan fashion season Tuesday. Delicate Chinese prints mixed with military styles showed the Italian house — whose ugly aesthetic has defined the decade — in the mood for romance.

Soft fabrics, sweet colors and even a few frills are part of the new mood in Italy for

MILAN FASHION

softening up the stark minimalism that has ruled international fashion runways. Giving back to women a hint of seduction — but in a realistic, modern way — is the challenge for summer 1997.

Prada's improbable union of Suzy Wong split skirts and Mao's People's Army uniforms was original and arresting. It meant khaki shirts or military jackets worn with jacquard-patterned skirts. By the show's end, the uniforms were rouged by dresses traced with flowers like 18th-century chinoiserie wallpaper. Their delicacy was enhanced by the models' pink-and-white makeup and pin-curled hair, while their feet were in velvet sandals, often also with Chinese flower patterns.

First came long, linear chiffon outfits, their sweetness cut by underslips with graphic seaming. The same taut tops and long skirts in poplin looked more austere. The show's news was in print and color — like lacquer red over pink for ruffled, short empire-line dresses.

Miuccia Prada seemed to be working intellectually to make palatable a long-skinny look. Prada's tiny, tight blouses and skirts with dipping swallowtail hems were alluring, but the silhouette is uncompromising.

The problem with the show is that so many other designers have done chinoiserie before. Outfits would suddenly recall Comme des Garcons or even Giorgio Armani's Far Eastern excursions. So Prada's Chinese show, which had so many good things in it, did not manage to set the collections on a spring roll.

"I love the shoes," said Wanda Ferragamo, the matriarch of the family company. Her eyes were drawn to sandals and to wedge-heeled shoes, a style on which Salvatore Ferragamo had built his fame and fortune.

But for the clothes that went with them, the designer Steven Slowik seemed to have followed in the footprints of that other well-known shoe house, Gucci. Coats over pants and pantsuits looked upscale and luxurious in their the pale capuccino and cream colors or with bitter-chocolate pinstripes. But the style — the monochrome jacket, lace blouse and pants, and even the sleek, slicked hair, all seemed familiar from Gucci's last-season's runway.

There were some flashes of wit in the orange and lime bags or purses like grass skirts. Silky knits were elegant — if there are enough pin-thin women around to wear dresses that fit as close as mermaid scales. Long-line skirts, split at the sides, seemed convincing, not least because all the shoes were so perfectly proportioned. That suggested that Ferragamo's heart still likes in the feet.

Moore/Thomas

Prada's small cardigan with Chinese split-side skirt.

THE last lingering whiff of the 1970s, the need to soften up tailoring and the long-line silhouette have all combined to make knits a hot fashion item. Following the family tradition, Angela Missoni showed her line of knits that were as bright as a tropical cocktail or as pale and lacy as lingerie. As well as the stitches that gave denim-blue sweaters the surface of a tire tread and a feathery lightness to slender halter dresses, the young designer showed eye-popping molecular patterns and bamboo-shoot prints that suggest that this Milan season may be looking from West to East.

Until the long-serving British designer-duo at Byblos — Keith Varty and Allan Cleaver — came out to take a bow, it was possible to think that the show was a fashion first: designed entirely by E-mail.

Picture the scene, as the designers surf the net for inspiration. They call up Fash.Frill — and up pops an image of a screaming pink jersey dress with a black lacy hem. Brilliant! Then they surf color. Wow! Here's bright green and turquoise for halter-necked dresses. They try black and white: Take them pinstripes, reverse them by computer as black on white and there is the tailoring. Now "romantic" — and more frills come up on the net.

An entire spring/summer collection from within the four walls of your own studio. But there does not seem to be a website called "original ideas."

BRITISH THEATER

Can Anyone Match Liz's Martha?

By Sheridan Morley
International Herald Tribune

LONDON — At the Almeida (and moving to the Aldwych from Nov. 12), Diana Rigg and David Suchet star in Howard Davies's immensely thoughtful and intelligent revival of Edward Albee's "Who's Afraid of Virginia Woolf."

The author himself considers this his long night's journey into day, and contributes a faintly disgruntled program note regretting that it is still the only play by which he is immediately recalled. But something odd is going on here: Rigg and Suchet are consummate actors, never better than when battling with each other or uniting in uneasy alliance to "get the guests" (in this case Lloyd Owen and Clare Holman), but we can never forget that they are indeed just actors doing an expert job on a script which the years are beginning to make look a little repetitive. And although Davies has humanized the script, so that we now really care about all four protagonists in their doomed dance of marital death, the evening never approaches in sheer randy alcoholic magnificence the Burton-Taylor movie of 1966.

The truth is, unfairly enough, that Burton and Taylor were George and Martha in all their private and public histrionics while other and better actors can merely play them. Here, Suchet's quiet, vengeful George is a perfect undercutting partner for Rigg's blowsy, defeated and gin-soaked harridan but, in asking us for understanding and even pity of their predicament, they lack the one thing the Burtons offered: a magnificent carelessness about their own plight.

Over the last six weeks we have had at least four new plays dealing in some way with the holocaust or its aftermath around Europe. The latest of these, at the Minerva Chichester, is Ronald Harwood's "The Handyman;" it is even arguable that Harwood started the trend a year ago with his magnificent "Taking Sides," about the Furtwangler affair, now triumphant on Broadway.

Chichester Festival Theatre

A scene from "The Handyman."

His second look at the post-mortem of World War II is set in the present, in an English country house where the faithful old gardening handyman is slowly revealed to have been a savage pro-Nazi, personally responsible for the killing of nearly a thousand Jews.

Yet the play is not really about his guilt (which by the end of the evening is pretty well indisputable). Instead, it is about the effect on contemporary British life of a new law that allows foreign settlers here to be charged, even half a century later, with war crimes — which, until now, their lack of a British passport ironically made impossible.

Harwood raises two questions early in the evening: Does not the very phrase "war crimes" somehow imply that it is possible to wage war legally? And is there really much to be gained by prosecuting half a century later very old men who can barely remember what they have done, let alone if they really did it?

Harwood sets up various matchstick characters to stand for every side of the argument. There's the yuppie couple who employ the handyman, the lawyer who demands justice at all costs, and a couple of eyewitnesses, one a crook and one a nun, who bear all too painful testimony to the handyman's sins.

In the end this is not a great play, and a rather inconclusive debate. But Frank Finlay's wonderfully weary performance deserves to be seen in London.

NOT since Michael Frayn's "Noises Off" has there been a funnier backstage idea for a play than Peter Nichols's "Blue Murder," currently on a national tour but amazingly still without a prospective West End home.

What we have here are two linked one-act plays. The first, set in 1963 and entitled "Foreign Bodies," is a country house-party parody in which an ostensibly respectable family are found to be underpinned by murder, prostitution, pederasty and assorted other crimes of the hearth. The second play, "A Game of Soldiers," is set four years later in the office of the Lord Chamberlain just as he is about to lose his centuries-old powers of theatrical censorship.

The link is that the play for which he is being asked to give a performance licence is the one we have just seen. We soon discover that the Chamberlain's own office is riddled with all the sins he is trying to delete from scripts, and a manic collection of bisexual mismatches is brilliantly played out.

Like all great farces, "Blue Murder" has a serious point to make. It is Nichols's view that the abolition of the Chamberlain as censor has also devalued the trade, since writers are at their best when they have something to fight against. Nichols has crafted a magnificently agile double-bill.

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SPONSORED SECTION

UGANDA

RICHARD SYNGE

Uganda's newly re-elected government is working to capitalize on the benefits of peace and reconciliation that it has achieved over the last decade.

PENNY TWEEDIE/FOTOGRAM-STORE

FACTS AND FIGURES

POPULATION (1994):
18.6 million

GNP (1994):
$3.7 billion

GNP PER CAPITA:
$200

GDP GROWTH RATES (FISCAL YEARS):
1993-94: 5.3 percent
1994-95: 10.6 percent
1995-96: 8.5 percent

SELECTED INDICATORS, 1995-96 FISCAL YEAR (JULY-JUNE):

AVERAGE INFLATION RATE:
7.4 percent

MANUFACTURING GROWTH:
18.1 percent

TOTAL EXPORTS:
$555.3 million

TOTAL IMPORTS:
$1.17 billion

TRADE BALANCE:
-$624.5 million

CURRENT ACCOUNTS BALANCE:
-$114.0 million

DEBT SERVICE:
24.1 percent of exports

TOTAL DEBT STOCK:
$3.2 billion

BUDGET DEFICIT
1.8 percent of GDP (6.7 percent excluding grants)

ECONOMIC REFORM USHERS IN PROMISING BUSINESS REVIVAL

Impressive growth is giving Uganda a new importance in Africa.

Uganda's steady economic progress continues to defy the conventional wisdom about African countries' inherent instability and their aversion to meaningful or appropriate economic reforms. In its fiscal year 1995-96, the Ugandan economy recorded growth of 8.5 percent, putting it once again in the first rank of economic performers in Africa.

The promising statistics are confirmed by the physical changes on the ground. Many of Uganda's towns and cities are seeing a construction boom buoyed by a revival of intensive agricultural and manufacturing activity. Ugandans have decided to shun the tendencies that in the past held their country back, and they now show a perceptibly determined commitment to peace and rapid development. There is responsible and informed debate, sustained by freedom of speech in the media.

YOUAN ROGAMMA

President Yoweri Museveni.

Overtures

As Uganda's recovery continues, the challenges of sustaining it become larger. A landlocked country with a small internal market, Uganda cannot grow in an economic vacuum. Hence, President Yoweri Museveni's newly re-elected government is making strong overtures to neighboring states to speed up the process of economic cooperation by working to re-establish the former East African Community. A political consensus is also actively being sought in the search for solutions to the strife in the nearby countries of Rwanda and Burundi, which form an integral part of the regional market that Uganda seeks to serve.

There is also much to be done in consolidating the process of economic reform and sustaining the political achievements of peace and reconciliation that have been the hallmarks of Mr. Museveni's rule over the past 10 years. After his own overwhelming electoral victory in May this year, the president's "movement" system of non-party politics was given endorsement in elections of a new parliament in June. This provides a breathing space without political party activities until 1999, when a referendum is due to be held on the possible reintroduction of a multi-party system.

Twofold progress

The investment community sees a necessarily strong link between economic and political progress. "Political stability is the key to Uganda's future," says a director of one of the country's largest business groups. "We are optimistic. The election confirmed Ugandans' support for the direction in which the country is going, and as a result we fully expect economic growth to continue."

The government's commitment to low inflation, which has remained below 10 percent for the past two years, has helped to keep private capital flowing in. Since 1990, out of investment approvals of nearly $3 billion, some $1 billion is now fully invested, with manufacturing and agricultural projects accounting for over 80 percent.

In addition, Uganda has managed one of Africa's most successful privatization programs. The enthusiastic take-up of the factories, farms and other companies on offer has been led by former investors of Asian origin (who dominated the economy prior to their expulsion by Uganda's former dictator, Idi Amin, in 1972). "The Asians have helped to confirm Uganda's credibility," says Louis Kasekende, director of research at the Bank of Uganda. "If investors of any sort come and stay and bring their families too, others see it as reducing the so-called 'African risk factor' and will come in at the opportune time."

Growing confidence

British, American and South African business interest in Uganda has been reviving strongly and, most important, the Ugandan business community itself is growing in confidence, helped by its understanding of the prevailing economic, political and social traditions. "My experience has shown that with the right preparation you can do anything in Uganda," says Wasswa Birigwa, whose CelTel company has created a highly successful cellular telephone network in little more than a year. "This is the time to invest. The government is excellent and the opportunities are there."

With a doubling of the size of the Ugandan economy over the past 10 years, the economic management team led by Finance Minister Jehoash Mayanja-Nkangi is concentrating on tackling an evolving set of development targets, including reducing poverty, increasing security throughout the country, embarking on an ambitious road-building program and improving primary education.

There is more and more pressure on all fronts to keep the momentum going. Where the government itself cannot provide essential services, it is increasingly choosing to hand over the initiative to the private sector. The newly elected parliament is shortly expected to approve the removal of the state's monopoly provision of electric power, telecommunications and water supply as a first step in allowing private provision of other services as well.

The current interest for investors lies in Uganda's agricultural potential, and particularly in its potential to grow high-value spices, flowers and fruit. There is also much interest in the possibilities of specialized tourism, as ever-increasing air connections bring in visitors in search of Uganda's fabled scenery and wildlife. ■

WIDER REGIONAL HORIZONS

NOW THAT UGANDA'S early problems of cooperation with its neighbors are at last disappearing, there is new and creative thinking about the practical benefits of larger markets, common tariffs and free movement of goods and people in East Africa.

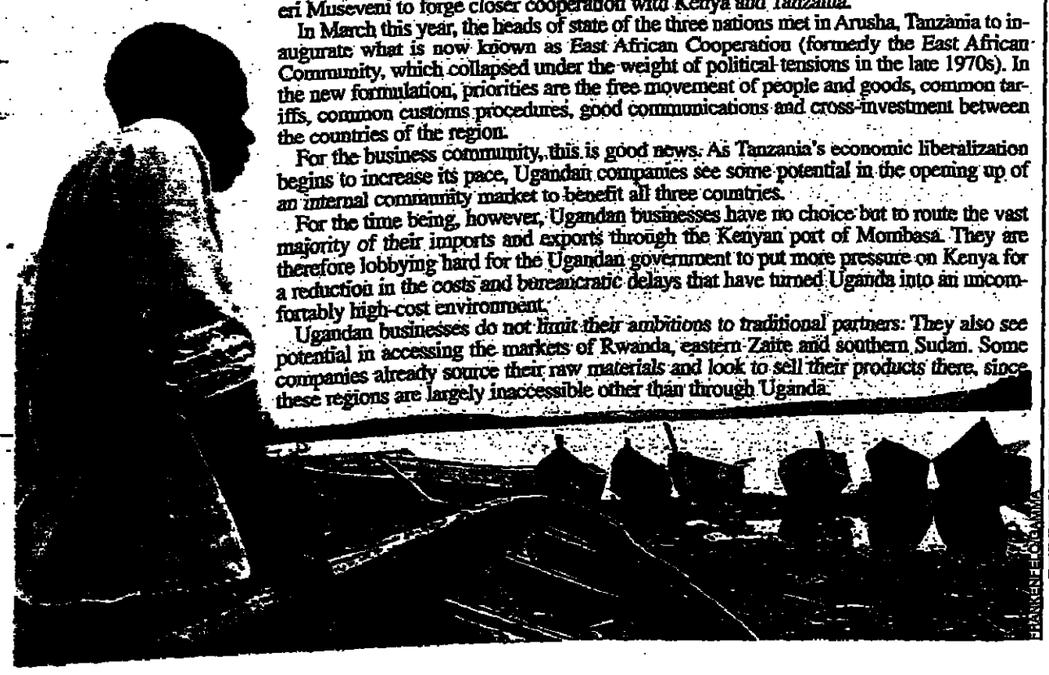
In the opinion of Foreign Affairs Minister Eriya Kategaya, "The only possible way to survive is to have bigger markets." This echoes the recent efforts made by President Yoweri Museveni to forge closer cooperation with Kenya and Tanzania.

In March this year, the heads of state of the three nations met in Arusha, Tanzania to inaugurate what is now known as East African Cooperation (formerly the East African Community, which collapsed under the weight of political tensions in the late 1970s). In the new formulation, priorities are the free movement of people and goods, common tariffs, common customs procedures, good communications and cross-investment between the countries of the region.

For the business community, this is good news. As Tanzania's economic liberalization begins to increase its pace, Ugandan companies see some potential in the opening up of an internal community market to benefit all three countries.

For the time being, however, Ugandan businesses have no choice but to route the vast majority of their imports and exports through the Kenyan port of Mombasa. They are therefore lobbying hard for the Ugandan government to put more pressure on Kenya for a reduction in the costs and bureaucratic delays that have turned Uganda into an uncomfortably high-cost environment.

Ugandan businesses do not limit their ambitions to traditional partners: They also see potential in accessing the markets of Rwanda, eastern Zaire and southern Sudan. Some companies already source their raw materials and look to sell their products there, since these regions are largely inaccessible other than through Uganda.



YOUAN ROGAMMA

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UGANDA

A KEY ROLE IN THE PROCESS OF REGIONAL INTEGRATION

Minister of Foreign Affairs and First Deputy Prime Minister Eriya Kategaya speaks about Uganda's stepped-up efforts to forge closer economic ties with its African neighbors.

RICHARD SYNGE

Eriya Kategaya, minister of foreign affairs and first deputy prime minister.

Uganda seems to be playing an increasingly active role in the economic and political evolution of the East African region. What are the guiding principles behind your foreign policy?

We think that development in Africa cannot be sustained and expand with limited and fragmented markets. Therefore, as a matter of strategy, we are pursuing regional integration, starting with the economy and following up with political initiatives. The movement would not mind seeing an East African political federation. We are very active in the Preferential Trade Area and the Common Market of Eastern and Southern Africa [Comesa]. With our small national markets in this region, the economies of scale are insufficient. How else are we going to survive in this kind of world unless we come together and form a big market? Japan and the European Union are interested in regional markets. So the guiding principle is that the only possible way to survive is to have bigger markets. As the minister of finance has said, if we carry on expanding at our present rate, we will not have a big enough internal market to consume what we are producing. We also want to see peace in the region, and that is why we are also very interested in helping to solve the problems of Burundi, for example.

What are the immediate goals of Uganda's cooperation with Kenya and Tanzania in particular?

Cooperation with these countries should have moved faster than it has. When the revival of the East African community was mooted about three years ago, the Tanzanian and Kenyan presidents were not very keen. But after a number of ministerial meetings, there has now been some progress. First and foremost, we want to create an atmosphere for free movement of people and goods. Second, we want to have a good communications network to facilitate our trade. Third, we must have common tariffs to help us harmonize our budgetary and fiscal policies. Fourth, we want common customs procedures. Fifth, we want to encourage cross-investment between the countries of the region; we have already encouraged meetings of industrialists to discuss how they can work in the different countries, and this is something that is now happening regularly between Kenyan and Ugandan industrialists. Kenya is becoming increasingly aware of its dependence on trade with Uganda and other countries of the region. At our suggestion, Kenya's President Moi has taken steps to try to reduce the delays and corruption at Mombasa port, which handles the majority of our imports and exports. While we are getting together politically, we sometimes need to convince the bureaucrats who control the institutions.

> *We want to encourage cross-investment between the countries of the region; we have already encouraged meetings of industrialists to discuss how they can work in the different countries'*

How long will it take for Comesa to become a reality?

Some countries in the southern part of the continent are still reluctant to proceed and prefer to restrict their cooperation to the Southern African Development Community, and have even tried to persuade Kenya and Uganda to join SADC, but we think the community must be wider than that. We want to have common rules and an integrated road and rail network throughout Comesa.

Does your government welcome the increasing economic contact with South Africa, and can this contact make any significant contribution to Uganda's economic development?

We have received considerable interest from South African farmers who want to come and produce here for the South African market. I think it is a potentially good area of cooperation. We need big commercial farmers, and we have been trying to encourage them to come in. ■

PROGRAMS LEAD THE WAY TO ECONOMIC EFFICIENCY

Minister of Finance Jehoash Mayanja-Nkangi speaks about Uganda's move toward large-scale agriculture and the ongoing privatization of its industry and infrastructure.

RICHARD SYNGE

Jehoash Mayanja-Nkangi, minister of finance.

The growth in the Ugandan economy remains impressive, and is clearly based on good performance in agriculture and manufacturing. Can the country likewise maintain growth in exports?

The first thing is that we must support agriculture strongly, because for a long time we shall have to continue to base our exports on agricultural produce. In the past, coffee alone has accounted for about 97 percent of total exports, but now, with the growth of nontraditional exports, this has gone down to between 70 and 80 percent. However, this is still a far cry from what we would like to see, and so we are putting more effort into establishing the quality of what we produce, reducing post-harvest losses and processing our agricultural produce. In general, we are trying to impart greater skills to our farmers. This is the strategy not only for crops, but also for livestock. The other thing is the scale of production. We want to encourage more people to go into large-scale farming. We are also identifying new markets for our produce in East and Southern Africa and the Middle East.

New investment is continuing and the government is stepping up the privatization program. Are you satisfied with the rate of progress currently shown in these areas?

Yes and no. I am an old man in a hurry! We have yet to privatize 50 percent of the 116 parastatal companies that we have targeted for sale. But in another year or two we should have completed the task. Some are easier than others to privatize. A particularly tough nut to crack is the Uganda Commercial Bank; we are looking for someone to take about 40 to 50 percent, and we will invite Ugandans to buy the rest of the shares on the stock exchange.

What is the government's policy toward infrastructural services such as electricity, railroads and water supply?

The catchword is efficiency in the delivery of the services. One problem is that, in electricity for example, the tariffs are rather high and make it difficult for industry to reduce costs. Another problem arises in funding the generation of electricity. The Uganda Electricity Board has borrowed from the multilateral agencies to expand its capacity and is forced to have its tariffs high for now. While we are now beginning to think that government should not have the sole responsibility for the production of power, we also think that the government should take it on itself to help in the generation of electricity so that industries can benefit.

Will there be competition with government?

We do not want to be in business as a government, but anyone licensed to produce power will have to enter an agreement with the Uganda Electricity Board for the transmission and distribution of power. I am hoping that we can also benefit from other forms of energy such as solar power for lighting purposes in rural areas.

Power demand is high and is growing fast, and we have to invest more in power generation. Water supply is not so much of a problem, and our water authorities have been performing well, but we will not stop anyone who wants to supply. The railways are a bit of a problem since it is unlikely that there would be any incentive for outside investors to invest in improving the system. On the other hand, lake transport could be undertaken privately, especially as the quantity of goods moving on Lake Victoria between Uganda, Kenya and Tanzania begins to grow.

When will the privatization of Uganda Telecommunications be completed?

Probably three to five months from now. There is a lot of enthusiasm in the private sector concerning telecommunications. I hope that privatization will bring down the cost of communications.

Is Uganda achieving any breakthrough in its economic relations within Africa and beyond the continent?

Our exports are growing, especially in nontraditional areas such as horticulture, and inward investments have been coming in from different parts of the world. We are open people. We welcome those who come here and those who stay here. In Africa, we are in the process of opening up our business links, especially with the South Africans, who have been selling goods to us and are showing interest in investing here. We are also strong supporters of the Common Market of East and Southern Africa. ■

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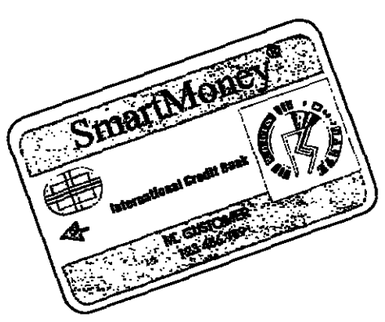

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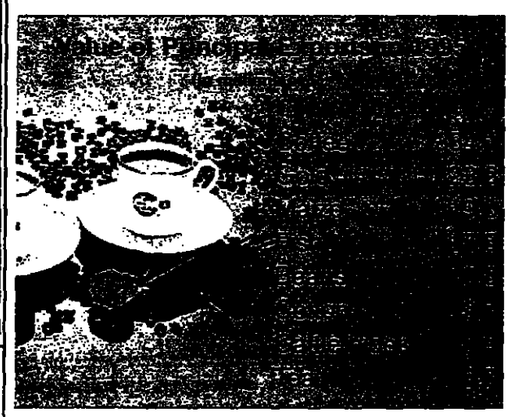

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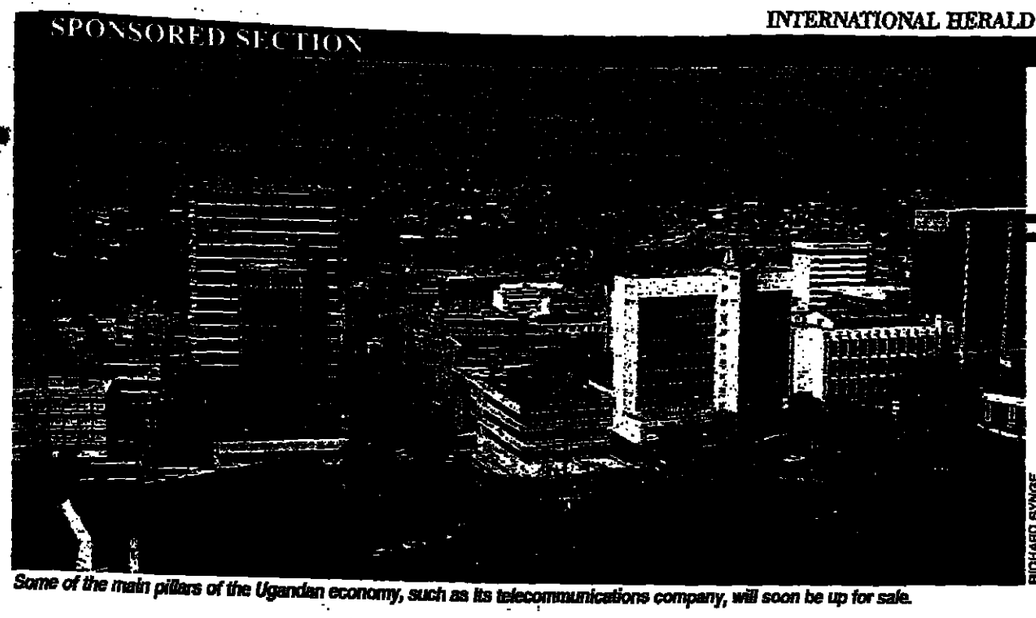


RICHARD SYNGE

Some of the main pillars of the Ugandan economy, such as its telecommunications company, will soon be up for sale.

UGANDA

PRIVATIZATION BOOSTS PRODUCTIVITY

Some of Uganda's major companies will be put on the block during the next phase of the sell-off scheme.

The gratification that William Okecho gets from his otherwise stressful job as head of Uganda's Privatization Unit is seeing the factories he sells coming back to life and the subsequent regeneration of economic activity. In the case of Tororo Cement Works, back in production after years of lying idle, the economy of a whole town was revived. "That is a great achievement," Mr. Okecho says.

Since the privatization program began in 1992, about 40 state-owned companies have been either returned to their original owners or sold to newcomers. "In nearly all cases, the companies are performing better under private management," Mr. Okecho declares. "And when we see that they are providing regular tax revenues as well, that is another source of satisfaction. Crown Bottlers, for example, has increased its monthly tax revenue from a meager 350 million Ugandan shillings to 1.2 billion Ugandan shillings."

The list of companies now returned to private management and resuming full production includes two major cement factories, two large textile firms, a steelworks, a printing company, two distilleries, a fishing company and two tea estates. The businesses relinquished by the state also include numerous hotels and several leading automobile and fuel distribution networks. The next phase of privatization will include some of the largest contributors to the Ugandan economy, including Uganda Telecommunications, Uganda Airlines, Uganda Commercial Bank, Uganda Grain Milling Company and its subsidiaries, and the remaining assets of Uganda Coffee Marketing Board.

"We are even privatizing privatization!" jokes Mr. Okecho, in reference to the recent decision to let banks and finance houses handle the divestiture of some of these companies. The newly established Capital Markets Authority will also play a role, having been given responsibility for developing and regulating Uganda's first public share market.

As the program becomes larger and more complicated, it is creating new burdens for the government, says the finance ministry official in charge of privatization, Leonard Muganwa. In order to help it meet its costs, the government is now considering charging commercial fees to potential bidders for the provision of essential documentation and, additionally, to the successful bidders for the settlement of debts.

Net benefits

Privatization in Uganda has encountered considerably fewer political setbacks than in many countries. The benefits have convincingly outweighed the negative aspects in the majority of the sell-offs already concluded and among most of those currently being considered.

The only striking exception to the general acceptance has been in the case of the Uganda Commercial Bank (UCB), where the government recently had to intervene to remove a chairman who was strongly opposed to privatization. Confirming the change of policy at UCB, the new chairman, Elly Rwakakoko, has been quick to state that his main task is to "ensure that the privatization process of the bank is smooth." Officials add that Mr. Rwakakoko's specific brief is to continue the restructuring of UCB ahead of privatization with a view to enhancing its potential profitability whether or not it finds a strategic buyer.

The government is already preparing to compensate the bank for its nonperforming assets and to contribute toward a major recapitalization. One of the principal concerns among UCB customers and staff is that any strategic buyer, who would be invited to take a 51 percent stake, is certain to want to reduce the bank's extensive countrywide branch network. The most likely solution, officials say, will be for the government to subsidize some district branches that are considered essential to maintaining efficient local government services throughout the country.

No such problems are anticipated with the sale of shares of the Uganda Grain Milling Company, a diversified group with flour, baking and animal feeds subsidiaries. Handling the sale is Barclays Merchant Finance of Kenya, whose director, Kibuga Karithi, says that privatization is certain to increase turnover and profitability and will enable the group to satisfy national demand. ■

MANUFACTURING LOOKS TO EXPORTS

Export markets, as well as better transport links to serve them, are priorities for local manufacturers.

The revival of manufacturing industries, including cement, soap, sugar and brewing, has helped to secure the basis of Uganda's economic revival, but there is still much to be done. The country's future growth depends on carving out export markets for its primary products and improving the quality and efficiency of its services.

It is a sign of the times that Ugandan and foreign businesses alike are beginning to be as active in farming as they have been in reestablishing the basic industries that now serve the country well. Even the head of the Uganda Manufacturers' Association, James Mulwana, has recently diversified into fruit and flower growing. Another leading manufacturer, Mukwano Industries, is investing heavily in tea production while experimenting with flowers and a variety of essential oils that have been found to thrive in Uganda's benign climate.

Forward and outward

Such investors have concluded that the way forward is through the expansion of the regional market. "Uganda may be landlocked, but it is the center of distribution for this region," says Mr. Mulwana, who believes strongly in the need to revive the East African Community. Equally, Mukwano's executive director, Alykhan Karmali, has ambitions to use Uganda as what he calls a "springboard" to other parts of Africa.

Risk-averse investors are more cautious. The small size of the Ugandan domestic market, with less than 20 million people, imposes limitations on the size of production units, while the high cost of overland transport does not make it easy for any export industry to be competitive.

Even with these constraints, the revival of Ugandan living standards has been enough to bring in the first wave of multinational companies that clearly want to be associated with the country's recovery. Among others, oil companies Shell, Caltex and Total are back in business, while consumer groups like Coca-Cola, Pepsi, Booker Tate and Unilever have put in initial investments to re-establish their corporate presence.

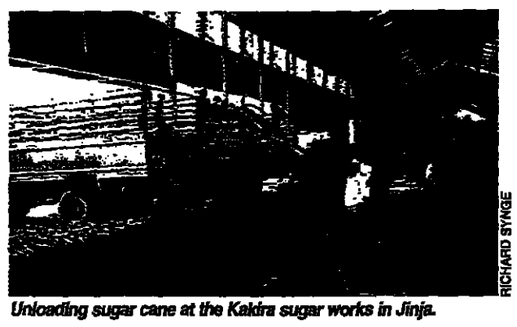
Setting an example

Uganda's own investment community is showing the way. The largest single investor is the Madhvani group, which leads in sugar and brewing but is now branching out into tourism, entertainment, steel, soap, flowers and tea.

The market for beer and soft drinks has boomed over the past two years, prompting Madhvani to invest $14 million in the expansion of its Nile Breweries subsidiary, which claims a 55 percent market share with its production of 230,000 cases of beer every month. Similarly, the bottlers of soft drinks are investing tens of millions of dollars in the expansion of their production capacities.

In the three years since it was privatized, Crown Bottlers' plant has quadrupled its output to 380,000 cases of Pepsi and other drinks per month. "We are keeping up with the growth of people's purchasing power," says Crown's financial director, Christopher Kayoboke.

In addition to the ongoing investment boom in manufacturing, agriculture and a number of prospective mining projects, there are also investment opportunities arising from the imminent liberalization of telecommunications and the privatization of the country's largest financial institution, the Uganda Commercial Bank.



RICHARD SYNGE

Unloading sugar cane at the Kakira sugar works in Jinja.

With the financial sector still undeveloped, the government is pinning its hopes on attracting reputable banks that can offer new services and products, while promoting the establishment of a stock exchange. It is also working to improve the investment licensing procedure and to streamline the cumbersome legal system.

Projects pending

The reforms foreseen under World Bank-backed adjustment credit include the elimination of tax exemptions and the removal of the existing anti-export bias. A value-added tax (VAT) regime has already been successfully introduced.

Infrastructural development lags badly, however. Nowhere is this problem more acute than in electricity generation, where available production capacity from the Owen Falls dam trails actual demand by a factor of 60 megawatts. Faced by a delay in the construction of a second dam being built by Chinese contractors, the government is now preparing to remove the monopoly of power generation from the Uganda Electricity Board and to encourage investors to install independent power production units.

Another constraint is the poor condition of the transport network. The government hopes to raise new foreign loans to help finance a $1 billion road development program covering the next 10 years. In the meantime, the new generation of export-oriented investors has chosen to locate close to roads or plans to use airfreight services out of the international airport at Entebbe. ■

TELECOMS: ENTER THE PRIVATE SECTOR

Open-door competition in the provision of telecommunications in Uganda is creating a rush of new initiatives.

Over the past year or so, Uganda's first mobile telephone operator, CelTel, has recruited 3,000 customers to its service and has even produced an operating profit. Few of Uganda's leading business executives are to be seen without a cellular phone in hand. "Our subscribers participate directly in the growth of the economy," says CelTel's managing director, Wasswa Birigwa, "and we recruit another 200 of them every month."

The success of CelTel, which has invested more than $50 million in Uganda over the past two years, is encouraging for the international telephone companies thinking of moving into Uganda under the imminent round of new licensing expected before the end of 1996. Once the Uganda Posts and Telecommunications Corporation has been split into two entities, the telecommunications company will be opened up for majority private participation, and the government will invite tenders for a second national operator to compete with it. As in other countries, the regulation of the market will be handled by a National Communications Commission.

Dual operators

It is envisaged that the second operator will compete with Uganda Telecommunications in offering local, long distance, international and cellular services. Only after the license is issued will it be clear whether the second operator will be primarily reliant upon the existing network or will be planning to install a primarily cellular or wireless-based type of system. The success of CelTel has already demonstrated the potential for wireless systems in Uganda. Moreover, recent advances in developing "wireless local loop" or "fixed cellular" technologies could be highly appropriate for this environment.

At present, Uganda has only 42,000 fixed-line subscribers, and the potential for expansion is considerable. Existing plans, which are subject to revision, speak of a network of 300,000 lines by the end of the century, of which 150,000 could be in rural areas.

The profitability of new telecommunications investment in Uganda is potentially good. Even the limited telecommunications service currently available through the overextended fixed-line network generates revenues of nearly $50 million a year, with profits of about 25 percent of net revenue.

Anticipation of privatization has already brought about a number of innovative services that have kept Uganda moving with the times. A small U.S. investor, Starlight Communications, has installed a network of pay phones and offers commercial fax and e-mail services. Several companies offer e-mail and access to the Internet and World Wide Web. There are also networks of fixed radio links. "Uganda is getting both wired and wireless," says Mr. Birigwa. "The door has opened already, and nobody can say no to anyone who has the right ideas." ■

Uganda Railways Corporation

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KAMPALA - MOMBASA	$53	$ 954	$1908	$ 795	$1590
MOMBASA - KAMPALA	$79	$1487	$2889	$1289	$2507
KAMPALA - DAR-ES-SALAAM	$52	$1253	$2186	$1205	$2090
DAR-ES-SALAAM - KAMPALA	$81	$1440	$2560	$1368	$2416

Further special rates are negotiable for customers who offer large volumes of petroleum products, containers or break bulk cargo.

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UGANDA

ON ALL FRONTS, A REVOLUTION IN AGRICULTURE

Farming is not only Uganda's mainstay, but its future.

The rehabilitation of tea and coffee cultivation throughout central and western Uganda is only one of the more visible signs of the agricultural revival that has brought renewed hope to farming communities throughout the country in the past five years.

"Our growth rates mirror our rainfall," notes the secretary to the treasury, E. Tumusiime-Mutebile, "and if we are going to end poverty in this country we must ensure that our growth remains concentrated in the agricultural areas and that our use of labor and land becomes more intensive."

With 94 percent of Uganda's agricultural production coming from about 3 million small farmers, and with 87 percent of the total employed population engaged in agriculture, there is little mistaking that farming plays a vital role in the life and economy of the country as a whole. Nowhere is this importance greater than in the production of food, particularly bananas, cereals, root crops and beans.

Untapped potential

The full potential of Uganda's fertile agricultural land has been hardly tapped. Only one-third of the arable land in the country is under any form of cultivation, meaning that there is plenty of land available for those who want to put it to use. "The potential for continued increases in agricultural output and productivity are good and could be stepped up by technological improvement," says a World Bank report on the sector. "Regional markets for food can be expected to grow, although intermittently. Uganda's favorable rainfall, fertile soil and location provide it with an opportunity to supply food cheaply to neighboring countries that are affected by recurring droughts.... New yield-enhancing technologies have to be created, area expansion possibilities explored and high-value-added products introduced and expanded in order to increase the momentum."

Most of the credit for the extraordinary rise in output of most crops is now given to the market liberalization that took place in the early 1990s. As a result, all farmgate prices are now determined by market forces. Free to sell to the highest bidder, farmers have been enthusiastically expanding their production of cash crops destined for export in hopes of enhancing their own earnings, but they have not neglected to produce food for the local market as well.

Farmers have also organized themselves and are now most prominently represented by the Uganda Cooperative Alliance, which represents about 1.6 million of the 2.5 million cooperative farmers in the country, and the Uganda National Farmers' Association.

Growth in food crop production has been steady. From 1994 to 1995, banana production increased from 8.5 million tons to 9.0 million tons, root crop production rose from 4.6 million tons to 4.8 million tons, and there were strong increases in the output of beans, groundnuts and oil seeds. Uganda is also moving rapidly into selling some of its food crops abroad, particularly maize, beans and fish. Last year, it earned $19 million from exporting 98,000 tons of maize, mainly to neighboring countries experiencing food shortages.

Last year, beans brought in $11 million and fish $17 million.

Traditional cash crop production has also bounced back. Coffee exports in 1995 totaled 168,859 tons, fetching $384 million, and there has been a great improvement in coffee quality. Tea production has been slower to revive, but is set to keep moving forward as former tea estates are restored to their original owners. The quantity of tea exported in 1995 was 10,681 tons, fetching $8.7 million. Another traditional export crop with good prospects is cotton, now that the government has liberalized marketing and sold its network of ginning factories. Availability of a ready market has restored farmers' confidence, and the export volume rose by 44 percent in 1995, to 5,580 tons, earning $9.7 million.

The government is determined to capitalize on the restored confidence of farmers by putting agriculture at the center of its recently published plan against poverty. As the plan states: "It is impossible to improve the welfare of the majority of the population without increasing agricultural incomes."

COFFEE, TEA, FLOWERS AND FRUIT

COFFEE, TEA, FLOWERS and fruit top the list of profitable export-earning commodities in Uganda. Each is receiving its own share of investment and professional expertise as the country's name for good-quality produce is re-established in world markets.

Market liberalization and the high world coffee prices in the 1994-95 season confirmed the enthusiastic return of Uganda's large and small farmers alike to tending their coffee bushes. Coffee is the country's largest earner of foreign exchange, and last year some 169,000 tons were exported, bringing in $384 million.

There has been an improvement in the quality of coffee exported, with the help of intensive extension services, good crop husbandry and good weather. Around 20 private companies now dominate the export market, handling about 80 percent of the trade.

Tea growing in Uganda's cool highlands is also undergoing a revival, and exports reached 10,681 tons in 1995. With formerly nationalized tea estates back in private hands, one of the biggest, Rwenzori Highlands Tea Company, now accounts for a quarter of exports. The Mukwano group has also bought up a number of estates in the same area, and there is good potential for the expansion of the number and size of estates. "We would welcome more companies coming into tea growing," says Mukwano's executive director, Alykhan Karmali.

In addition to the output of the 20 larger estates, which range in size from 300 to 1,200 hectares, tea is also produced by about 11,000 smallholders, who account for half the 20,000 hectares planted and about 30 percent of national output, according to David Kimpwetu of the Uganda Tea Association. "Uganda has the potential to produce at least 24,000 tons a year, and I think we will achieve that in the next five years," Mr. Kimpwetu says.

Flowers and fruit are the next growth area, and special estates are springing up around Kampala and Entebbe as entrepreneurs prepare to enter the highly competitive European market for year-round exotica. Typical of the trend is the Nsimbe Estate, west of Kampala, where the backers are investing $5 million. An area of about 60 hectares is already under drip irrigation for the production of pineapples, passion fruit, mangoes, avocados and sweet bananas, while 10 hectares have been prepared for flower growing. "Uganda has proved very favorable for flower growing, and 100 percent of our production is for export," says Nsimbe's director, James Mulwana. "We pack and produce to meet international standards."

The main constraint on these capital-intensive investments is the shortage of long-term financing on the domestic market.

"We think that the development banks must earmark much more to agriculture, where returns are bound to be slower than in other sectors," says Mr. Mulwana.

PELLETIER/LATTES/GAMMA

With populations now returning to sustainable levels, Uganda's wildlife offers unforgettable experiences for visitors.

ECO-FRIENDLY TOURISM

Travel in Uganda offers both rugged excursions in the bush and luxurious safari lodges.

"I wanted to see unspoiled Africa, and I found it," said a Spanish tourist at the end of his recent two-week tour with a group of fellow-adventurers. "The roads were rough, and the accommodation wasn't always comfortable, but what mattered were the the mountains, the beautiful scenery, the butterflies and the animals." The group, traveling by bus, saw elephants, buffaloes, lions and chimpanzees, although they missed seeing the famous mountain gorilla groups that migrate at random over the borders between Uganda, Rwanda and Zaire.

Uganda has no intention of providing the kind of all-round tourism that has made its neighbor Kenya famous, but it is catching on as a very special travel destination. The travel industry has grown at an average of 18 percent a year since 1992. As a result, there is a hotel building boom both in Kampala and Entebbe, as well as in the areas of greatest visitor attraction in the west of the country, which include the Queen Elizabeth and Murchison Falls National Parks.

A leading investor is the Madhvani group, which recently acquired and invested $3.5 million in rehabilitating the Mweya safari lodge in the Queen Elizabeth Park and has acquired a 12-seater aircraft to provide an integrated tour of different wildlife sites. It also has two sites near the outflow of the River Nile from Lake Victoria with a view to setting up ecologically friendly tourism that includes horseback riding, sailing and rafting activities.

Donor nations are backing a sustainable-conservation program to ensure a coordinated approach to supporting the tourism and wildlife sectors. Uganda National Parks has been merged with the game department of the tourism ministry to create the Uganda Wildlife Authority.

With wildlife stocks beginning to return to sustainable levels, the international conservation community is actively involved in ensuring sustainable environments. Elephants that have strayed off their migration routes and caused damage to agricultural areas are now returned to the national parks.

Although the continued rebel activity in the north of the country has delayed development there and has prevented the introduction of countrywide travel facilities for visitors, the area open for exploration is wide. The remote Kidepo National Park in the northeast corner of Uganda is back in business, but its remoteness has tended to confine access only to the very rich (who fly in to stay at the sumptuous $1,500-a-night Apoke Lodge) or to the most bush-hardened breed of adventurers.

TRANSPORT AND POWER LINKS

More improvements to infrastructure are still needed to boost trade and industry.

The emergence of Entebbe airport as Uganda's prime gateway to the world is bringing rich benefits both in the growth of tourism and in the shipment of the country's most valuable exports. Figures from the Civil Aviation Authority show that over the past five years, passenger traffic has been growing at an average of 20 percent a year, while cargo throughput has grown even faster, at 33 percent a year. Air France and Air-India have recently joined the growing number of airlines with regular services; with each new air service, there is more airfreight capacity.

The new era has also given birth to an airline known as Alliance, in which the principal carriers of Uganda, Tanzania and South Africa are the leading shareholders. In little more than a year of operations, Alliance's flights have reached full capacity on its twice-a-week Dar es Salaam-Entebbe-London Heathrow services, to the point that it will soon operate a third flight and is planning additional services to Dubai and Bombay, to be launched next year.

Better rail connections

Most trade into and out of Uganda has to go by land and sea, and is handled by the road and rail links to Kenya's port at Mombasa. The costs of transport are high and a cause for considerable concern among importers and exporters alike. Accordingly, Uganda Railways Corporation plans to enhance and improve its operational efficiency in conjunction with its Kenyan counterpart.

Thanks to new investments in locomotives and rolling stock, the railroad doubled its annual handling capacity between 1993 and 1995 to 1 million tons a year, and its rates compare favorably with road haulage costs between Kampala and the coast. Nearly half of Uganda's coffee exports are now carried by rail, but the limits of the line's capacity may soon be reached.

There is concern that the expansion and maintenance of the road network may not keep up with the rapid increase in traffic density within the country. The government's response has been to formulate a $1 billion road development program to cover the next 10 years, in the hope that donors will provide adequate financing to pay for the improvement, rehabilitation and construction of new roads, while the government will use its own available revenues to pay for maintenance.

Access to hydropower

A more worrying constraint on economic expansion in the future is caused by the delays in enhancing Uganda's electricity generation facilities despite the huge potential of hydroelectric power on the River Nile. Inadequate generation capacity has already forced the Uganda Electricity Board (UEB) to order regular cut-offs in supply to domestic consumers in and around Kampala. The construction of a major new hydroelectric dam at Owen Falls has fallen behind schedule; for the time being, the maximum generation capacity available to UEB is 162 megawatts, although peak demand is estimated at 228 megawatts and is growing at 2 percent a month. "The status quo is foreseen to continue for at least three years, unless some alternative emergency measures are implemented," says an announcement from the UEB. "Already, two memoranda of understanding have been signed with independent power producers, and more serious investors are encouraged to join the market."

GOVERNMENT OF THE REPUBLIC OF UGANDA

MINISTRY OF FINANCE

Uganda's Privatisation Programme 1996

The government of the Republic of Uganda embarked on major reform and divestiture of its Public Enterprise Sector with a view to reducing financial losses and administrative burden of maintaining a wide network of public enterprise operation. The following Public Enterprises have been included in the 1996 work programme for divestiture during the year.

List of Public Enterprises

1. Apollo Hotel Corporation
2. Uganda Livestock Industries Limited
3. Dairy Corporation
4. Uganda Posts & Telecommunications Corporation
5. Uganda Grain Milling Company and its Subsidiaries
6. Uganda Consolidated Properties Ltd
7. Uganda Airlines Corporation
8. Uganda Commercial Bank
9. Coffee Marketing Board
10. Papco Industries Ltd
11. Uganda Spinning Mills Ltd
12. Produce Marketing Board
13. Kibimba Rice Company Ltd
14. Barclays Bank
15. Bank of Baroda
16. Associated Match Company Ltd
17. Uganda Clays Ltd
18. Associated Paper Industries
19. UGMA Engineering Corporation
20. Uganda Libyan Arab Holdings
21. Cable Corporation Ltd
22. Kakira Sugar Works
23. Sugar Corporation of Uganda Ltd.
24. Chillington Tools Ltd
25. Gobbot Ltd
26. National Insurance Corporation
27. Transocean (U) Ltd
28. Kulubya Properties
29. Ugadev Bank
30. Uganda Industrial Machinery
31. Wolfram Investments Ltd
32. Toro Development Corporation
33. Lango Development Co. Ltd
34. Uganda Crane Estates
35. Uganda Wildlife Development Company
36. Uganda Tourist Development Corporation
37. Comrade Cycle (U) Ltd
38. Uganda Toni Services Ltd
39. Uganda Hotels Ltd
40. Jonas Brothers Ltd

Interested investors are invited to contact us for more details

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P.O. Box 10944
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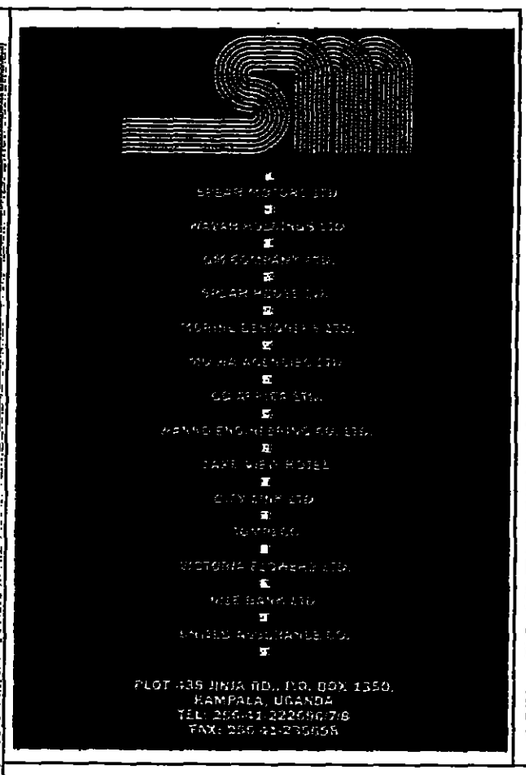
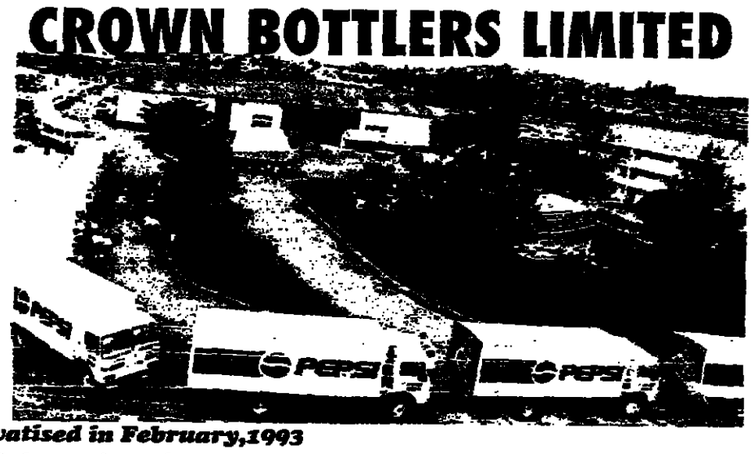
Fax (256-41) 259997 / 242403
EMAIL: pmu@imul.co - Telex: 61209 (PEPUGA)



CROWN BOTTLERS LIMITED



Privatised in February,1993

- *Expanded capacity 3 times thereby satisfying the ever growing Ugandan consumer market. Expansion involved an investment level of over Us.$ 8 million.*
- *Instituted product expansion to meet the choice requirements of consumers.*
- *A constant drive towards capacity building, product expansion and market satisfaction in the future.*
- *Provided employment and training opportunities countrywide.*
- *Quadrupled tax revenues.*

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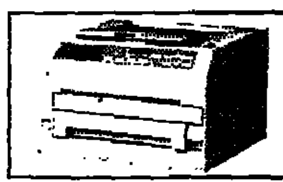
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Eurotunnel Reaches Debt Pact

Banks Ready to Swap Part of Debt for Equity

Compiled by Our Staff From Dispatches

PARIS — Eurotunnel reached a last-minute agreement with its creditor banks Tuesday on restructuring its huge debts, apparently resolving seven months of crisis negotiations that almost ruined the company, the president of the Paris Commercial Court said.

The court president, Jean-Pierre Mattei, said the Channel Tunnel operator and a committee representing 225 mostly British and French banks had agreed on the "definition of the outlines of an accord" to reschedule the company's $14 billion debt.

Mr. Mattei said the parties to the talks had expressed their wish "to submit at a later time the final protocol" of the agreement so that it could be officially recorded by the court. He would give no further details on the agreement, saying his role is a "neutral" one.

Sources close to the talks said details of the pact would be put to the various management bodies of Eurotunnel and to the banks, adding that Eurotunnel's management board would meet Wednesday.

Trading in Eurotunnel shares, which was suspended on Monday, is unlikely to resume on the Paris, London and Brussels bourses until early next week.

France Info, a French all-news radio station, said details of an agreement that included the exchange of debt for equity in the group would be released officially by the court on Wednesday.

Preliminary reports suggest the package deal would include an initial swap of debts for equity enlarging the banks' share of the capital to just below 50 percent. It is also likely to include another exchange of debt for securities, giving the banks perhaps as much as 75 percent control of the company.

Eurotunnel shares closed in Paris on Friday at 9.15 francs ($1.77), compared with an all-time high of 120 francs and a 1987 flotation price of 35 francs.

The plan to build the Channel Tunnel link has been plagued by financial difficulties almost from the day of its launch in December 1987.

Eurotunnel's rising debt burden prompted it to suspend interest payments to its creditors a year ago. It is seeking restructuring of its debt, which has grown still more over the past 12 months. But the company is now believed to be breaking even on the operation of the train link, according to some bankers and company executives. *(AFX, AFP, NYT)*

Peter Mueller/Reuters

Workers at a Mercedes-Benz car plant in Bremen, Germany, marching to a protest corporate benefit cuts.

Unions in Germany Losing Iron Grasp

By John Schmid
International Herald Tribune

FRANKFURT — Unions mobilized more than 100,000 workers to walk off the job across Germany on Tuesday as a new law went into effect allowing German industry to shed some of the corporate burden of providing sick pay benefits.

But the unions, some observers said, are fighting a rearguard defense to preserve their waning dominance in an inflexible, high-wage system that will never look the same again.

As workers gathered for protest rallies, shifts were idled across Germany at plants operated by Daimler-Benz AG and the Adam Opel AG German division of General Motors Corp. Nearly half of the 220,000 workers at Daimler, the first company to take advantage of the new law, were expected to participate in protests at more than 50 factories around the country.

"We will not cease our action until Opel AG takes back this breach of contract," said an Opel worker spokesman, Peter Iaszczyk.

A spokesman for Daimler-Benz, Juergen Wittmann, told Bloomberg Business News that the company did not yet know how much the day's strikes cost it as a whole. Its Mercedes-Benz unit put the cost at 80 million Deutsche marks ($52.4 million) Tuesday, or 220 million marks since the strikes began on Thursday.

Mr. Wittmann said the company wanted to start discussions with the IG Metall union about sick pay reductions and other issues as soon as possible. It hopes for a "package solution," which would include agreements on next year's wage raise, Christmas pay and sick pay.

Both Gesamtmetall, Germany's metal industry association, and the militant

NEWS ANALYSIS

IG Metall union have said they also wanted to open wage negotiations as soon as possible.

Siemens AG reiterated that it planned to cut sick pay, although not for several weeks, because of the "particularities of payment procedure at Siemens." It said it wanted to start wage talks for 1997 and include the issue of sick pay.

"With these discussions, it will quite clearly be a question of relieving costs to improve the competitive position of the business and so also job security," the company said.

For the unions there is far more at stake than reductions in sick pay benefits, the ostensible reason why IG Metall and its allies have dug in their heels and vowed a full-scale general strike if necessary.

More urgently, the unions want to preserve what industry employers caustically call the union's "wage cartel" — the once-ironclad grip by an elite band of unions on wages, hours and benefits throughout the entire nation. Critics point to the inflexibilities of the system, which prohibit companies from taking on new hires below scale, as one of the main reason for the German unemployment rate's climb to record levels earlier this year.

In an age of global competition, critics argue, corporate Germany can only begin to attack the problems posed by its highly paid workers and rigid labor rules by slowly loosening the grip of the wage cartels.

The grip by unions has loosened incrementally ever since the 1993 recession caused mass layoffs and plant closures. But in recent months, the erosion has spun out of the unions' control far more quickly than many observers had expected only a half year ago.

The dispute flared after Parliament ratified a new law, which went into effect

See LABOR, Page 15

BMW and Chrysler Form Engine Venture

Plant to be Built in South America

Compiled by Our Staff From Dispatches

PARIS — Bayerische Motoren Werke AG and Chrysler Corp. said Tuesday they would invest $500 million to form a venture in Latin America to make small-car engines.

The facility, which will start production of four-cylinder engines by the end of 1999, will be equally owned by the German and American carmakers.

"Developing a new engine is a very costly business and that's why we think it makes sense to do it with a partner," Robert J. Eaton, chief executive of Chrysler, said at the Paris auto show.

The plant will produce 400,000 units of 1.4 and 1.6 liter engines, based on a Chrysler design, when the venture begins production in 1999.

The carmakers said a specific location has not been found but that engines produced by the joint venture will be used in cars from BMW's Rover Group Ltd. unit and in the Chrysler Neon, which is made in the United States.

The move comes as a bold step for both companies, which are hoping to win a larger share of what is expected to become a fast-growing market for small-sized cars over the next 10 years.

Michael Schmall, director of automotive forecasting for J.D. Power & Associates, a consulting firm in Troy, Michigan, said: "To share the cost burdens of capital expenditures with another company is an extremely good decision and shows they have realistic expectations of South American growth. There is good growth in that market, but it is going to be very competitive."

The move will be BMW's first foray into Latin America, but it was the second such announcement for Chrysler. In August, the U.S. carmaker said it planned to build a plant in Brazil to produce pickup trucks for distribution in Latin America.

"Looking back at the last five years, we see an increase in the region by more than 100 percent, making Latin America currently the fastest-growing area worldwide for the automobile industry," said Bernd Pischetsrieder, chairman of BMW. "Latin America will be an important market for BMW products in the future."

Mr. Pischetsrieder said the decision to produce engines in South America would not disrupt plans to build another engine facility in Britain, which would make larger engines than those made with Chrysler.

BMW is in talks with the British government for subsidies for the plant, and he said that the deal would go forward if government help is granted. The joint venture should help dispel doubts that BMW was losing faith in its Rover unit, which after being bought in 1994 from Honda Motor Co. has steadily lost money and had required cash infusions from BMW. *(Reuters, Bloomberg, AFX)*

Japan Delays Insurance Laws

Agence France-Presse

WASHINGTON — The United States and Japan reached an interim accord Tuesday on access by American companies to Japan's insurance market, Charlene Barshefsky, the acting U.S. trade representative, said.

As part of the agreement, Japanese officials said Japan would delay a decisions to deregulate its insurance industry.

Japanese life and nonlife insurance companies were supposed to be able to enter a so-called "third sector" market as of Tuesday, but the agreement restricts the entrance of subsidiaries until the two governments come to an agreement on opening the insurance market, with a deadline set for Dec. 31. The third sector includes injury and medical policies and other niche markets where foreign companies are already strong.

Ms. Barshefsky pledged that foreign companies would have access to the Japanese market once a new agreement was reached, but added that more deregulation of the third sector would be needed to completely resolve the dispute.

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MEDIA MARKETS

Will 'Heroes Reborn' Save Marvel?

By Deborah Shapley
New York Times Service

NEW YORK — When the billionaire Tony Stark was acquitted of corporate espionage and insider trading this month, sparking street protests by workers who hate him, he experienced a terrifying moment of doubt. Why did he abandon his early creativity as his conglomerate, Stark Enterprises, grew? Why did he give himself over to selfishness and greed? Biff! Pow! Tony, also known as "Iron Man," started fighting his way to redemption.

This is not Wall Street but the universe of Marvel Entertainment Group comics. Each Wednesday in September, Marvel reintroduced another of its venerable lineup of comic-book superheroes as "heroes reborn" for the 1990s.

Fans have known Tony Stark for 30 years, ever since he appeared as an arms merchant wounded by a land mine in Vietnam. Today the reborn Iron Man "will be a conglomerate chief who has acted irresponsibly and fallen from grace," said his re-creator, Jim Lee, 22.

Marvel, the No. 1 comic-book publisher, is gambling that a makeover of characters such as Stark will revive the company's fortunes. In Marvel's heyday from the 1960s through the mid-1980s, The Amazing Spiderman, its best known title, shipped an average of 300,000 copies a month, estimates John Jackson Miller, editor of Comics Retailer magazine, who is compiling the industry's first long-term data base.

There are no official circulation figures, but Mr. Miller estimated that Marvel's market share shrank from 70 percent in the 1980s to 50 percent by 1991, two years after the financier Ronald Perelman bought the company.

Reader interest continued to decline in the early 1990s, although a boom in collectible comics caused a spike in sales, which peaked in 1992.

Revenue rose quickly, from $61 million in 1989 to top $150 million in both 1992 and 1993, according to Alexander Paris, an analyst at Barrington Research Associates. Comic-book revenue then fell by $30 million in 1994 before recovering slightly last year, he said.

But overall, Marvel has continued to lose market share, while its rival DC Comics, owned by Time Warner Inc., was making lots of money turning characters like Superman or Batman into stars.

Although its one-third market share did not equal Marvel's, DC Comics held its own while pulling in hefty licensing revenues from Batman films, Superman television series and other spin-offs.

As DC Comics made huge profits on established characters, new characters were being created outside the Marvel empire, as artists — including some who left Marvel — created new comics for independent publishers like Image, Dark Horse, Wizard and Kitchen Sink.

Image Comics, founded by former Marvel artists who deserted in 1992, quickly gained about 15 percent of the market, mostly from Marvel's share, according to Mr. Miller of Comics Retailer magazine, and is now No. 3.

"Sales for Marvel comics were dropping like a stone," said Jon Bray, owner of Dr. Volt's Comic Connection in Salt Lake City. "They were relying on old stories and an outdated format."

To cut costs and increase profit margins in recent months, Marvel has cut unprofitable titles; it now offers about 50. In the fanciful Marvel Universe, this was accomplished through Onslaught, a megawar in which an eponymous mon-

See MARVEL, Page 15

CURRENCY & INTEREST RATES

Cross Rates

Oct. 1

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7175	2.677	1.1216	0.3303	0.1115*	—	5.44*	1.365	1.5325*	1.2565	1.3325*
Brussels	31.46	49.21	20.59	6.0025	2.0651*	18.2575	—	25.84	0.2825	22.87	24.46*
Frankfurt	1.5252	2.385	—	0.2955	0.1003*	0.8916	4.8575*	1.216	1.3762*	1.1197	1.3079*
London (a)	1.5648	—	2.3876	8.0096	2,381.645	2.6787	49.2675	1.9485	174.39	2.1386	200.925
Madrid	Not Available										
Milan	1,525.75	2,380.90	999.50	295.35	—	893.40	48.593	1,218.00	13.786	1,718.90	11.989
New York (b)	—	1.5647a	1.5263	5.1685	1,524.00	1.7118	31.40	1.2556	111.405	1.3595	128.36
Paris	5.341	8.0085	3.3843	—	0.339*	3.0174	0.1644	4.115	4.6342*	3.7806	4.02*
Tokyo	111.35	174.37	73.06	21.57	0.733	65.16	3.5406	88.71	—	81.75	0.8685
Toronto	1.3602	2.1286	0.8973	0.2631	0.0893*	0.7958	0.433*	1.0846	1.2286*	—	1.058*
Zurich	1.255	1.9638	0.8222	0.243	0.0825*	0.7333	3.9918*	—	1.1272*	0.9223	0.9785*
1 ECU	1.2580	0.8047	1.9189	6.4841	1,915.61	2.1592	39.5046	1.5782	140.875	1.7146	161.554
1 SDR	1.443	0.9254	2.1978	N.Q.	2,193.74	2.4647	45.225	1.8077	160.455	1.9687	185.81

Closings in Amsterdam, London, Milan, New York, Paris, and Zurich, fixings in other centers; Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	240.83	Mex. peso	7.532	S. Afr. rand	4.5395
Australian $	1.2655	Hong Kong $	7.7315	N. Zealand $	1.428	S. Kor. won	820.50
Austrian sch.	10.723	Hung. forint	158.35	Norw. krone	6.4907	Swed. krona	6.622
Brazil real	1.0203	Indian rupee	35.65	Phil. peso	26.24	Taiwan $	27.48
Chinese yuan	8.3317	Indo. rupiah	2322.25	Polish zloty	2.81	Thai baht	25.42
Czech koruna	26.77	Irish £	0.6248	Port. escudo	154.98	Turkish lira	91557.5
Danish krone	5.8525	Israeli shek.	3.2044	Russ ruble	5408.00	UAE dirham	3.6705
Egypt. pound	3.645	Kuwaiti dinar	0.3002	Saudi riyal	3.75	Venez. boliv.	471.00
Fin. markka	4.5609	Malay. ring.	2.5018	Sing. $	1.4087		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5624	1.5620	1.5619	Japanese yen	110.84	110.41	109.85
Canadian dollar	1.3604	1.3587	1.3566	Swiss franc	1.2494	1.2454	1.2411
Deutsche mark	1.5223	1.5192	1.5156				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Oct. 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5¼ - 5⅜	2⅞ - 3⅛	1¼ - 1½	5⅝ - 5¾	3¾ - 3⅞	⅜ - ½	4⅛ - 4¼
3-month	5½ - 5⅝	2⅞ - 3⅛	1⅞ - 1⅝	5¾ - 6	3⅜ - 3½	⅜ - ½	4⅛ - 4¼
6-month	5⅝ - 5¾	2⅞ - 3⅛	1½ - 1⅝	5⅞ - 6	3½ - 3⅝	½ - ⅝	4⅛ - 4¼
1-year	5⅞ - 6	3⅛ - 3¼	1½ - 1¾	6⅛ - 6¼	3⅝ - 3¾	⅝ - ¾	4¼ - 4⅜

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅜	5¼
3-month CDs	4.84	4.83
CP 180 days direct	5.44	5.43
3 month Treasury bill	4.97	4.91
1-year Treasury bill	5.34	5.39
2-year Treasury bill	6.02	6.09
5-year Treasury note	6.38	6.45
7-year Treasury note	6.49	6.56
10-year Treasury note	6.64	6.70
30-year Treasury bond	6.87	6.92
Merrill Lynch 30-day RA	4.87	4.86
Japan		
Discount rate	0.50	0.50
Call money	0.46	0.46
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.63	0.61
10-year Gov't bond	2.82	2.92
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.25
1-month interbank	3.12	3.12
3-month interbank	3.16	3.16
6-month interbank	3.17	3.17
10-year Bund	6.06	6.09

Britain		
Bank base rate	5¾	5¾
Call money	5⅝	5⅝
1-month interbank	5¾	5¾
3-month interbank	5⅞	5⅞
6-month interbank	6.00	5⅞
10-year Gilt	7.61	7.68
France		
Intervention rate	3.25	3.25
Call money	3⅞	3¾
1-month interbank	3⅝	3¾
3-month interbank	3⅞	3¾
6-month interbank	3½	3½
10-year OAT	6.10	6.27

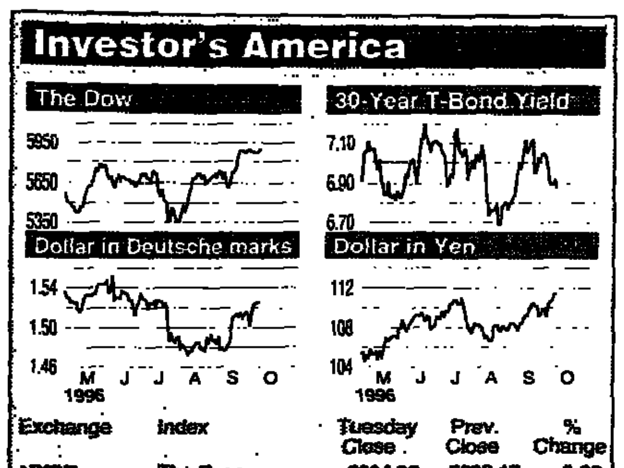
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	377.75	378.85	+0.40
London	377.05	378.65	+0.35
New York	380.50	381.00	+0.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Investor's America



Exchange	Index	Tuesday Close	Prev. Close	% Change
NYSE	The Dow	5904.90	5882.17	+0.39
NYSE	S&P 500	689.08	687.33	+0.25
NYSE	S&P 100	663.87	661.78	+0.32
NYSE	Composite	368.18	367.33	+0.23
U.S.	Nasdaq Composite	1221.48	1227.61	-0.50
AMEX	Market Value	568.55	571.48	-0.51
Toronto	TSE Index	5329.56	5291.07	+0.73
São Paulo	Bovespa	64718.40	64270.30	+0.70
Mexico City	Bolsa	3286.48	3236.32	+1.55
Buenos Aires	Merval	560.98	558.86	+0.38
Santiago	IPSA General	5422.04	5417.37	+0.09
Caracas	Capital General	5552.64	5481.90	+1.29

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

U.S. Targets 4 On Trade Practices

WASHINGTON (AP) — President Bill Clinton targeted Indonesia, Brazil, Australia and Argentina on Tuesday for erecting trade barriers to U.S. products, but gave Japan a brief reprieve because of an interim agreement on insurance.

The administration cited Indonesia, Brazil and Australia for alleged unfair practices in the auto industry while Argentina was cited for high border taxes on textiles, clothing and footwear.

All four cases were brought under an annual review known as "Super 301," which Mr. Clinton brought back to life in 1994 by executive order as a way of intensifying pressure on countries to remove trade barriers judged by the government to be particularly onerous.

• **Chrysler Corp.** reported a 22 percent increase in U.S. car and light truck sales in September compared with a year ago, while **General Motors Corp.**'s sales fell just over 2 percent. Ford Motor Co. will report its sales Thursday.

• **AT&T Corp.** has agreed to sell its 86 percent stake in AT&T Capital Corp. to a consortium led by a management team and **GRS Holding Co.** for a total of $1.8 billion in cash.

• **Dell Computer Corp.** plans to open a second American plant in Austin, Texas, to assemble personal computers for the North American and Latin American markets, where the company's sales increased 50 percent last year. The new plant will increase the company's payroll by more than 1,000.

• **Kiwi International Airlines** is laying off a third of its work force and is flying only between Chicago, Atlanta and Newark, New Jersey. The airline filed for bankruptcy on Monday.

• **Onex Corp.** will acquire the electronic parts maker **Celestica Inc.** from **IBM Canada Ltd.** in a transaction valued at about $750 million Canadian dollars ($550.7 million).

AP, Bloomberg, Reuters, AFX

An Encryption Compromise

White House to Ease Rules on High-Tech Sales

By David E. Sanger
New York Times Service

WASHINGTON — After several years of debate between the computer industry and U.S. intelligence agencies, President Bill Clinton has decided to permit U.S. computer companies to export more powerful data-scrambling software, but only if they establish a system that will enable law-enforcement officials with a court warrant to obtain keys to the code.

White House officials, speaking on the condition of anonymity, said Mr. Clinton reached his decision late last week and that Vice President Al Gore would announce it Wednesday or Thursday.

Several big computer companies, led by International Business Machines Corp., have agreed to the new system, but many others, which have opposed past White House proposals for data-scrambling policies, are likely to object.

U.S. executives have long argued that U.S. export controls on the most sophisticated data-privacy technology put U.S. companies at a disadvantage because they are forced to sell products that are inferior to those of foreign companies.

But Washington, citing national security issues, is loath to permit the export of some of the most powerful software. Their reason has chiefly been that intelligence agencies feared such equipment would be used by foreign terrorists, drug cartels and other criminals to hide transactions and communications.

In a compromise, on Jan. 1, U.S. companies will be permitted to export software that encrypts data using "keys" — lengthy numeric codes — that are up to 56 bits long. Until now, companies have been prohibited from exporting products that have keys longer than 40 bits.

Mr. Clinton has also decided to move the authority for exporting the encryption software from the State Department, which has had export-licensing authority because the technology has been classified as munitions, to the Commerce Department, which controls the export of products that have both commercial and military use.

Starting in two years, U.S. companies choosing to export the more sophisticated software would have to set up what the industry is calling a "key recovery" system.

That system would enable intelligence officials and law-enforcement agents, armed with court warrants, to go through a lengthy process that would give them a mathematical key to decode scrambled communications.

The approach replaces the administration's earlier proposed "key escrow" system in which the government would have been the repository of the numeric keys. That lead to fears of potential government abuse, or a reluctance by legitimate foreign users to buy the software.

Under the new plan, the keys may be held by third-party companies. A key would be divided across several companies that would handle any given message.

If the CIA, for example, obtained a court order to decode a message, it would have to go to several different groups with its warrant to piece together the key.

"We believe that this solves the biggest weak point in the previous plans, where one entity held the key," said one IBM executive with the company's impending announcement.

But these steps are not likely to silence all the critics.

"There is still a perception that the U.S. is trying to extend its intelligence capability by setting standards around the world," said Marc Rotenberg, director of the Electronic Privacy Information Center.

There are other potential holes in the system. Customers in the United States will be free to buy encryption software of any complexity — as they can today — with keys that are much longer than 56 bits and are nearly impossible to break.

That means terrorist groups or drug dealers could still buy such software and sneak it out of the country, or even transmit it over computer networks.

Profit Outlook Pushes Stocks to Record Levels

Compiled by Our Staff From Dispatches

NEW YORK — Stocks set a record Tuesday, with blue-chip issues piercing the 5,900 level for the first time in step with higher bond prices as the latest economic news eased concern about inflation.

Bank and financial issues gained on optimism that interest rates would not rise and dent profits. But technology shares slumped amid profit-taking on September's rally.

The Dow Jones industrial average closed 22.73 points higher, at 5,904.90, taking out the previous record of 5,894.74 set Sept. 23. Advancing issues outpaced decliners by a 6-to-5 ratio on the New York Stock Exchange.

A trade group reported that U.S. manufacturing activity slowed in September. Separately, the Conference Board said its index of leading economic indicators rose 0.2 percent in August, its seventh straight gain. With more evidence that inflation remains dormant, bond yields fell to their lowest level in a month.

The National Association of Purchasing Management said its index of manufacturing activity fell to 51.7 in September from 52.6 in August. Economists expected the index would be steady.

"The big factor is inflation, and inflation remains well behaved," said Robert G. Morris, director of equity investments at Lord, Abbett & Co.

Financial stocks gained as the yield on the benchmark 30-year Treasury bond fell to 6.87 percent, its lowest since Aug. 22, from 6.92 percent Monday. The price rose 19/32 point, to 98 14/32.

Bond prices also rose after traders took comments by Alan Greenspan, the Federal Reserve Board chairman, to mean that the central bank would be slow to raise interest rates.

Mr. Greenspan told Treasurer Peter Costello of Australia that there was no immediate risk of inflation in the United States, according to the Australian Financial Review. The report was based on an interview with Mr. Costello.

Citicorp rose ⅞ to 91½, Chase Manhattan jumped 1 to 81⅛, MBNA rose ½ to 35¼ and Federal Home Loan Mortgage climbed 1⅝ to 99¼.

Further helping financial stocks was optimism that a push to cut costs will fan profit growth, said Michelle Clayman, chief investment officer at New Amsterdam Partners.

"The finance industry at the moment is the smartest user of technology," she said. "There's been the proliferation of ATMs. Mortgage processing used to take forever — now you can get a home mortgage in something like an hour. There have just been enormous enhancements in productivity."

But the technology sector slumped on the prospect that earnings will fall short of expectations,

U.S. STOCKS

traders said. Micron Technology fell 1⅝ to 29⅛, Texas Instruments declined 1¼ to 54, LSI Logic fell ½ to 22¾ and IBM dropped ¾ to 123¾.

America Online fell 3½ to 32 after the computer on-line services company said that growing competition in the industry could hurt its earnings and revenue.

Investors, concerned that third-quarter earnings reports may be disappointing, found evidence in the drug and health-care industry.

HCIA tumbled 27⅛ to 32⅞ after the health-care information company said third-quarter net income would range from 10 cents to 15 cents a share before charges, less than half of analysts' estimates.

Ivax said late Monday that it expected to report a third-quarter loss of at least $43 million as it closes plants and takes charges for excess inventory and bad debt. Its stock slumped 2¼ to 14.

Coke's stock dropped ¾ to 50⅛ after the company said third-quarter earnings would only match estimates. The announcement followed a warning Friday from PepsiCo that profit would disappoint.

Dan Eagan, a money manager at Provident Capital Management, said, "Pepsi is having trouble on the international front, so investors are wondering does that carry over to Coke."

Pepsi, which fell more than 6 percent Friday, rose ⅛ to 28⅜.

Retail stocks posted losses after the Bank of Tokyo-Mitsubishi/Schroder Wertheim weekly same-store sales report showed that U.S. retail sales fell 1.2 percent last week from the previous week. Dayton-Hudson fell 1⅜ to 31⅜ and May Department Stores fell ⅞ to 47¾.

(Bloomberg, AP, Reuters)

To Our Readers

Global Financial Information Corp., which recently purchased Knight-Ridder Financial News, has changed the service's name to Bridge News from KRF/Global News.

Dollar Holds Its Gains Against Yen

Bloomberg Business News

NEW YORK — The dollar rose Tuesday against most major currencies despite conflicting statements from Japanese officials that caused some traders to question whether Japan supports further gains for the U.S. currency.

The dollar closed at 111.435 yen, up from 111.405 yen on Monday.

The dollar also finished at 1.5263 Deutsche marks, up from 1.5249 DM on Monday, at 5.1685 French francs, up from 5.1615 francs, and at 1.2556 Swiss francs from 1.2545 francs.

The pound fell to $1.5647 from $1.5655.

The U.S. currency reached a two-and-a-half year high against the yen Monday after officials from the Group of Seven leading industrialized countries indicated Saturday they supported a strong dollar.

But it slipped in Asian trading Tuesday after comments from Finance Minister Wataru Kubo of Japan triggered speculation that Japan

FOREIGN EXCHANGE

did not want the dollar to keep rising. Mr. Kubo said after a speech in New York on Monday that while the G-7 welcomed a strong dollar "this is different from a stronger dollar."

"Those comments put the dollar in a little downward correction versus the yen," said Vincent Amaru, a trader at Citibank.

But the dollar got a boost later after a report that an unidentified Ministry of Finance official said Mr. Kubo's comments "do not mean that a further dollar rise would be undesirable."

That report led some traders to conclude that "you can go back and sell yen again," said Roger Chapin, manager of foreign exchange at Bank One in Columbus, Ohio. "So people are pulling back and watching the dust settle."

Remarks from Shoichiro Toyoda, chairman of the Federation of Economic Organizations, Japan's biggest business lobby, tempered the dollar's gains, traders said.

Mr. Toyoda said Japan's economic recovery, though fragile, should keep the yen from falling further.

AMEX

Tuesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	1117	17	16	17	+1⅛
AMC pf	346	30¾	30	30½	+½
ARC	519	3½	3⅜	3½	[illegible]
ATT Fd	146	75⅞	74⅞	75⅞	[illegible]
AckCom	240	33⅜	33⅛	33¼	+¼
Action	100	1⅜	1½	1⅝	—
AdvFin	1571	2	1⅝	2	+⅛
AdvMed	120	3	2⅞	2⅞	[illegible]
AdvThr	106	35⅞	35⅜	35⅜	—⅛
AirWat	158	7	6⅞	6⅞	—⅛
AHoogen	136	14	13⅞	14	—
Alehain	145	7⅝	7½	7⅝	—⅛
AlpinGr	1823	7⅛	6⅞	7	+⅛
AllLvng n	1211	14	13⅞	14	—
Amdhl	2317	9⅝	9⅜	9½	—⅛
AExpl	231	12⅝	12	12⅛	—⅛
AIM 88	92	13⅞	13⅞	13⅞	+⅛
AScE	136	16	15⅝	15⅝	—⅛
Ampex n	2373	7⅞	7⅝	7⅝	—⅛
Andrea	163	13⅛	12⅜	12⅝	—⅛
AngFor	113	2	1⅞	1⅞	—⅛
ArmorH n	116	7⅛	6⅞	6⅞	—⅛
AstLiving	936	19¼	19	19	—
Astrosc	111	5⅝	5⅜	5⅜	—
Audvox	436	5⅝	5½	5⅝	—⅛
AurorEl	409	2	1⅞	2	—
Autotote	1281	1⅝	1	1⅛	—⅛
AvivaPet	793	5⅝	5⅜	5⅝	—⅛
Azco	1184	11⅝	11⅛	11⅜	—⅛
BAT Ind	202	12⅝	12½	12⅝	+⅛
Baldw	216	2⅝	2½	2½	—
BT dep	857	25	24⅞	25	+⅛
BarrLb s	148	29	27¾	27½	—⅛
BayMea	119	20⅝	19⅝	20¼	+⅛
Bayou	451	4	3⅞	3⅞	+⅛
BemaGold	1554	7⅝	7½	7⅝	+⅛
BenchE	148	29⅞	29⅜	29⅝	+⅛
BioR A s	99	29	28½	29	+⅛
Biovail s	776	35½	34⅞	34⅞	—⅛
BlondT n	304	9⅝	9⅛	9⅝	+⅛
BolTch n	296	4⅞	4	4½	+½
Bosinfd	932	13⅛	12⅝	13	—⅛
Bowne	499	23¼	22⅝	22¾	—⅛
Buffton	284	2¾	2⅝	2⅝	—⅛
CE Fmk g	403	3	2⅞	2⅞	—⅛
CSTEnt	136	⅜	⅜	⅜	+⅛
Cablvsn	1078	42⅞	41⅞	42	—1½
Cablvs pf	135	24½	24⅛	24⅜	—⅛
Cabletel g	198	6⅛	6	6⅛	+⅛
Cambior	208	13⅝	13⅛	13⅝	—
Cambrx s	87	34	33⅞	33⅞	—
CanOc g s	1058	16⅝	16⅛	16⅝	+⅛
CanyonRs	432	2⅝	2⅝	2⅝	—
Cardich n	129	2	1⅞	1⅞	—⅛
CastlAM s	231	20	19⅛	19⅝	—⅛
CentennT	2359	47	43⅞	46⅞	—4
CFCda g	921	4⅞	4⅝	4⅝	—⅛
ChadThr s	206	20	19⅝	20	—⅛
ChaseCp	193	7	6	7	—1
ChySoft	2060	21⅝	20⅝	21	—½
Chiel	611	21	20⅝	20⅝	+⅛
CliffFin n	156	11⅝	11⅛	11⅝	+⅛
CoastD	307	5⅝	5⅜	5⅝	—⅛
ColLb	1213	12½	12	12⅛	—⅛
Comforce	188	18⅝	17⅞	17⅞	—1
CmdrAp n	357	6⅝	6⅛	6⅝	—⅛
CmdrA wt	278	1⅜	1⅛	1⅜	—
CmpMan n	132	15⅞	15⅝	15⅞	—
CCBncsh	189	18	17⅞	17⅞	—2
Cross	146	11⅝	11⅛	11½	+⅛
eCrwnL	178	1½	1⅛	1⅝	—⅛
Cycom gs	1569	5⅞	4⅞	5⅞	+⅛
DI Ind	232	1⅝	1⅝	1⅝	—⅛
DairyB	98	5⅝	5⅜	5⅜	—⅛
DakotaM	227	14⅝	14	14⅝	+⅛
Datarom	160	7⅝	7⅛	7⅝	+⅛
DaytonMn	253	6⅞	6⅝	6⅞	—
DevnE	180	25⅛	25⅛	25⅛	+⅛
DigRCT	93	1⅝	1½	1⅝	+⅛
DolAuEr	150	42	42	42	—
DryCal	257	8⅝	8⅛	8⅝	+⅛
DryMu	161	9⅝	9⅝	9⅝	—
EchoBay	3196	8⅝	8⅝	8⅝	—⅛
EcolEn	115	8⅞	8	8⅞	—
Edisto	91	10	9⅞	10	—
Edifek	124	⅜	⅜	⅜	—
ElPasoE n	1035	5⅝	5⅝	5⅝	—⅛
ElcChm s	95	1⅝	1⅝	1⅝	—
Elswth	97	9⅝	9⅝	9⅝	—⅛
EmerR	622	2⅛	2	2⅛	+⅛
EnvrTc	184	7⅝	6⅞	7⅝	+⅛
EzcoBi	569	18⅛	17¾	18¼	+⅛
Epitope	177	13⅝	13⅜	13⅝	—¼
Equusll	187	16⅛	15⅞	14¼	—⅛
FalmBk n	110	12⅝	12½	12½	—
FarmT un	132	4⅝	4⅝	4⅝	+⅛
FemHlth	217	5⅝	5⅝	5⅝	+⅛
Fibrbd	741	36	35	35½	+½
FinFd s	167	15⅝	15½	15⅝	—⅛
FrAust	670	9	8⅞	9	+⅛
FAusPr	2184	8⅝	8⅝	8⅝	—⅛
Fiber	109	9⅛	8⅝	9	+⅛
ForstLb	4704	38¼	37⅝	37⅞	+1½
FortPet	168	2⅝	2⅝	2⅝	—
GST Tele	1134	11⅝	11	11¼	—⅛
GaylCn	1348	7⅝	7⅝	7⅛	—⅛
GnAuto	428	2⅝	2⅝	2⅝	—⅛
GetchGld	339	48	47	47⅝	+⅛
GiantFd	534	34⅛	33⅞	34⅛	+⅛
GlotIR	515	17⅝	16⅝	16⅞	—
Globlink	324	5⅝	5⅝	5⅝	+⅛
GoVideo	128	1⅞	1⅝	1⅝	—
GldStrR	917	16⅝	15⅝	16¼	+⅛
Grang g	477	1½	1⅞	1½	+⅛
GreyLne	1601	3⅝	3¼	3⅛	—⅛
GulfGam	316	21½	20⅝	21⅜	+⅛
GrSimec	456	4⅞	4⅝	4⅝	—
Halsey	227	4⅝	4⅛	4⅛	—⅛
HalterM n	754	11¾	11½	11⅝	—⅛
HanoOr	245	7	6⅞	6⅞	—⅛
HanvDir	279	1⅝	1⅝	1⅝	—
Han wtB	2610	⅛	⅛	⅛	—
Harken	2119	2⅝	2⅝	2⅝	—⅛
Hasbro	2271	37⅞	37	37⅛	+⅛
HawAir	411	3⅞	3⅝	3⅝	—⅛
HlthPro s	116	3⅝	3⅝	3⅝	—⅛
Hearx n	1711	3	2⅞	2⅞	—⅛
HShearT	101	6⅛	6	6	—⅛
HoopHl	899	15⅛	14½	15	—⅛
HovnEn	131	6⅛	6	6	—
ICG Com	876	22	21⅝	21⅝	+⅛
ISI	112	6⅝	6⅝	6⅝	—⅛
Identix	2548	10⅜	9⅞	10⅛	—1
ImpCM n	206	20⅝	20⅜	20⅝	—
ImpOil g	898	42½	42¼	42¼	—⅛
InfoSys	112	2⅝	2⅝	2⅝	—⅛
IntCIPd	155	3⅝	3	3⅝	+⅛
InterDig	2090	7⅝	7⅝	7⅝	+⅛
Interline	249	1⅝	1⅛	1⅛	—⅛
Intrmagn	262	13⅝	13⅜	13⅝	—⅛
IntIS	298	7⅝	7	7⅝	—⅛
IntLaser	133	13⅛	12⅝	13	—
IvaxCp	29813	15	13⅞	14	—2¼
JPS Corp	1781	4⅝	4⅝	4⅝	—⅛
JanBell	474	2⅝	2⅝	2⅝	+⅛
JSK Cap	752	4⅝	4½	4⅝	+⅛
JFY Inc	109	6⅝	6½	6⅝	+⅛

Stock	Sales	High	Low	Latest	Chge
KV Ph A	90	11⅝	11½	11½	—⅛
KatzM	958	8⅝	8⅛	8⅝	—⅛
Keane	511	48⅛	47⅛	47½	—½
Kenwin	101	3⅛	2⅞	2⅞	—⅛
Kirby	372	17⅝	17⅜	17⅝	+⅛
KogrEq	366	15⅛	15⅛	15⅛	—
LXRBiot	349	2⅝	2½	2⅝	—⅛
LaBarg	469	6⅛	5⅞	6	—⅛
LaHK 96wt	320	5	4⅝	4⅝	—⅛
LifVern	162	12½	12⅛	12⅜	—⅛
LittldAd	112	4⅝	3⅝	4⅛	+⅛
MAI Sys	194	8⅝	8⅛	8⅝	—⅛
MSB Bcp	309	16⅛	16	16	—
MSR	210	⅜	⅜	⅜	—
Magellan	1046	21	20⅝	20⅝	—
MagnPet	212	4⅝	4⅝	4⅝	+⅛
MaximPh n	226	10⅛	10	10	—⅛
MaxmP wt	87	2⅝	2⅝	2⅝	—⅛
MeasSpcl	177	3⅝	3⅝	3⅝	—⅛
MedcR	91	8⅝	8⅛	8⅝	+⅛
Medeva	440	16⅛	15⅝	16	+⅛
Media	612	31⅝	30⅝	31⅝	+⅛
MediaLog	176	5⅝	4⅝	5	+⅛
MerPhil	173	3	3	3	—⅛
MLRusBwt	230	3⅝	3⅜	3⅝	—⅛
Metromda	518	11⅝	10⅝	11⅝	+⅛
MargnF	121	2⅝	2⅝	2⅝	—⅛
MSHK wt96	121	6⅝	6	6⅝	—⅛
MSNK 97wt	89	8⅝	8⅝	8⅝	—⅛
MntoshE	2582	2⅝	2½	2½	+⅛
Munin	96	8⅞	8⅝	8⅝	—⅛
MuniMa n	246	15⅝	15	15⅝	—⅛
Munvst	461	9⅝	9⅝	9⅝	—⅛
MunyAZ	135	12⅝	12	12	—⅛
Myersind	572	15	14⅝	15	—
NTNCom	782	4⅝	4⅝	4⅝	—⅛
NVR	143	9⅝	9⅝	9⅝	+⅛
Nabors	2120	13⅝	13⅜	13⅝	—⅛
NatlBev	107	19	18⅝	18⅝	—⅛
NatAlt	109	8	7⅝	7⅝	—⅛
NY Times	813	33⅝	33⅛	33⅝	—⅛
NA Vacc	2348	27⅝	27	27⅛	—⅛
OmniMult	1028	2⅝	2⅝	2⅝	—⅛
Oncor	265	5⅝	4⅞	5⅝	—
Organgn	782	19⅝	18⅝	18⅝	—1
PGEC pf	232	24⅝	24⅜	24⅝	—
PLC Sys	782	27⅛	26	26⅛	—1⅛
PLM	96	3⅝	3⅝	3⅝	—⅛
PMC CT	170	16⅝	16	16⅝	—
PGEptA	140	19⅝	19	19⅝	+⅛
PacGulf	340	18⅝	18⅝	18⅝	—⅛
PacR&E n	101	2⅝	2⅝	2⅝	—
PanAmC n	1442	11⅝	10⅝	10⅝	—1⅛
PaxsnC	2120	11⅝	11	11⅛	—⅛
PegGld	2320	10⅝	10⅝	10⅝	—⅛
PhJNet	511	4⅝	4⅝	4⅝	—⅛
PinRsc	370	14⅝	13⅝	14	+⅛
Polymed	157	5⅝	5⅝	5⅝	—⅛
Polyph	18764	7½	5	5⅝	—1⅛
Polyvisn	191	⅜	⅜	⅜	—⅛
ProdLg	1143	12⅝	12⅛	12½	—⅛
PrcCm	114	8	7⅝	8	—⅛
Pricell s	684	15⅛	14⅝	15	—⅛
ProActiv n	564	3⅛	2⅝	2⅝	—⅛
PropCT	117	9⅝	9⅝	9⅝	+⅛
PsycCp	170	6⅝	6⅝	6⅝	—⅛
PsiUl6	88	19⅝	19	19⅝	—⅛
PutnCA	93	14⅝	14⅝	14⅝	—
RF Pow	115	3⅝	3	3	—⅛
RedGold	928	1⅝	1½	1⅝	—⅛
RegalBel	1231	18⅝	17⅝	17⅝	+1
Riser	413	26⅛	25⅝	25⅝	—⅛
Riviera n	232	15⅝	15⅛	15⅝	—⅛
RoyalO g	2069	4⅝	3⅞	4	+⅛
SC Bcp	177	7⅝	6⅝	7	—
SOI s	424	2⅝	1⅞	1⅞	—⅛
SaboPet	100	19⅝	19⅛	19⅝	—⅛
SBYen wt98	140	8⅝	8⅝	8⅝	—⅛
Schult	119	20⅝	20⅝	20⅝	+⅛
ScoBco n	357	13⅝	13⅛	13⅝	—⅛
Selicare n	173	16⅛	15⅝	15⅝	—⅛
Seronsel	295	2⅝	2⅝	2⅝	—⅛
Servico	111	16⅝	16	16⅝	—⅛
ShefldMd	480	3⅝	3	3⅝	—⅛
Shopco	284	1⅝	1⅝	1⅝	—⅛
SilverFds	120	3	3	3	—
SoftSlgen	289	⅜	⅜	⅜	—⅛
SCEd pfP	410	25⅝	25⅛	25⅝	—
SportsClb	550	2⅝	2⅝	2⅝	—⅛
Stage	105	3	3	3	—
SPDR	5614	69⅝	68⅝	69	+⅛
SP Mid	549	48⅛	47⅝	47⅝	—⅛
Suprmind	129	6⅛	6⅛	6⅛	—⅛
TecnBrt	182	27⅝	27⅛	27⅛	—⅛
TelDta	830	40⅝	39⅝	40⅛	—⅛
TexBiotch	957	3⅝	3⅛	3⅝	+⅛
Thermed	117	26⅛	25⅝	25⅝	—⅛
ThrmBio n	537	13⅝	13½	13½	—⅛
ThCar s	455	37⅛	35⅝	35⅝	—⅛
TmEco	123	23	22⅝	23	+⅛
ThrFib un	319	12⅝	12⅝	12⅝	—
ThmFib s	244	13⅛	13	13⅛	—
Thrinst	538	36⅝	36⅝	36⅝	—
ThrSent n	170	11½	11⅛	11⅛	—⅛
Thrmotse	1106	24⅝	23⅝	24⅛	—⅛
Thmost n	227	13⅝	13⅛	13⅝	+⅛
Thrmotrx	804	38½	37⅝	38	+1
Thrmwd	102	2⅝	2⅝	2⅝	—
Tofutti	146	1⅛	⅞	⅞	—⅛
TopSrce	735	4⅝	4⅝	4⅝	—
TotlPet	89	10⅛	10⅛	10⅛	—
TWA	5489	9⅝	9⅛	9⅝	—
TrexMed n	213	19⅝	19⅛	19⅝	+⅛
Trinitech	99	3⅝	3⅛	3⅛	—⅛
Triton	1185	1⅛	⅞	⅞	+⅛
TubMex	2712	11⅝	10⅝	11⅛	+⅛
TurnB A	612	28⅝	27⅝	27⅝	—⅛
TurnB B	2850	28⅝	28	28	—⅛
TurnrC	126	11½	11	11⅛	+⅛
US Alc	718	2⅝	2⅝	2⅝	—
Unifiex	261	14½	13⅝	13⅝	—⅛
Unilab	239	⅜	⅜	⅜	+⅛
Unimar	212	4⅝	4⅝	4⅝	—
UnCap	108	9½	9½	9½	+⅛
USBiosci s	528	12⅝	12⅝	12⅝	—⅛
US Cell	316	30½	29⅝	30	—⅛
Urohlth s	348	13⅛	12⅝	12⅝	—⅛
VKCal	107	11⅝	11⅝	11⅝	—
Viacom	1619	35⅝	34⅝	34⅝	—⅛
ViacB	8833	35⅝	34½	34⅝	—⅛
Viac wtC	207	⅜	⅜	⅜	—⅛
Viac wtE	442	2⅛	2	2	—⅛
Vitronic	175	1⅝	1½	1⅝	—
VoyCO	104	12½	12⅛	12½	+⅛
WRIT	951	16	15⅝	15⅝	—⅛
WendtBr	94	1½	1⅜	1⅝	—⅛
WIRET	250	12⅝	12⅝	12⅝	+⅛
WhtmnE s	189	8⅝	8⅝	8⅝	—⅛
WirelsT s	905	9⅝	9⅝	9½	—⅛
ecWizTch	227	3⅝	3⅝	3⅝	—⅛
WEBCan n	123	11⅝	11⅝	11⅝	+⅛
WEBFra n	201	13⅝	13⅝	13⅝	+⅛
WEBGer n	115	13⅝	13⅝	13⅝	+⅛
WEB HK n	100	13⅝	13⅝	13⅝	+⅛
WEB Ita n	497	14⅝	14½	14⅝	—⅛
WEB Jan n	187	14⅝	14⅝	14⅝	—
WEB Mal n	176	14⅝	14⅝	14⅝	—
WEB Mex n	108	11⅝	11⅝	11⅝	+⅛
WEB Swd n	186	15½	15⅝	15½	+⅛
XCL Ltd	6331	⅛	⅛	⅛	—⅛
Xytron	88	1⅝	1⅝	1⅝	—⅛
Zanart wt	144	[illegible]	[illegible]	[illegible]	[illegible]
Zanart	355	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5878.81	5910.86	5861.67	5904.90	+22.73
Trans	2080.17	2084.16	2072.03	2084.16	-5.14
Util	216.95	218.49	214.81	218.35	+1.47
Comp	1857.84	1866.08	1853.33	1865.23	+7.10

Standard & Poors

	High	Low	Close	Chg.
Industrials	814.49	807.95	813.99	+1.14
Transp.	512.01	509.30	511.68	+0.99
Utilities	189.61	188.67	189.42	+0.62
Finance	73.13	72.33	73.02	+0.64
SP 500	689.54	684.44	689.08	+1.77
SP 100	664.75	658.42	663.87	+2.09

NYSE

	High	Low	Last	Chg.
Composite	368.33	366.21	368.18	+0.85
Industrials	468.63	465.50	468.38	+0.48
Transp.	328.37	326.79	328.13	+0.23
Utility	244.73	243.63	244.73	+0.45
Finance	317.77	314.98	317.56	+2.48

Nasdaq

	High	Low	Last	Chg.
Composite	1226.75	1215.74	1221.48	—5.44
Industrials	1104.68	1096.47	1099.48	—8.18
Banks	1150.48	1148.94	1150.37	+0.99
Insurance	1341.51	1335.90	1340.23	+0.26
Finance	1433.83	1430.73	1433.83	+2.47
Transp.	847.03	843.37	845.43	—1.77

AMEX

High	Low	Last	Chg.
571.49	568.06	568.55	—2.94

Dow Jones Bond

	Close	Chg.
20 Bonds	102.17	— 0.08
10 Utilities	99.04	— 0.17
10 Industrials	105.30	Unch.

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Lucent n	86122	45⅝	43½	43⅝	—2
PepsiCo s	73679	28⅝	28⅛	28⅜	+⅛
MicrnT	71851	30¼	28⅞	29⅛	—1⅝
CocaCl s	64810	50⅞	49	50⅛	—¾
K mart	64522	10⅝	10⅜	10½	+¼
AT&T s	60485	38⅞	37½	38⅝	+1⅛
AmerOn s	54350	32⅞	31⅛	32	—3½
Unisys	37022	6⅝	6	6⅜	+⅜
Edisonint	33648	18	17⅞	17⅞	—⅛
Hanson	30900	12½	12¼	12⅜	—⅛
Chrysir s	30744	29⅝	28⅞	29	+⅜
FedNM	29559	36¼	34⅞	35⅞	+1
FordM	28099	31⅝	31⅛	31⅜	+⅜
GnMotr	25574	49⅞	47⅞	49⅞	+1⅝
Gap s	25371	28⅞	28⅜	28½	—⅜

Nasdaq

	Vol.	High	Low	Last	Chg.
HCIA	114286	33¼	30	32⅞	—27⅛
Intel	69793	96⅝	94¼	95⅝	+⅛
Iomega s	68880	24⅝	22⅞	23⅛	—⅜
Xilinx	67300	32¼	30⅞	31⅜	—2⅜
DSC	63709	25⅛	22¾	23⅝	—1⅝
WorldCm s	57578	21⅝	21⅛	21¼	+⅜
US Robt s	56396	66⅝	62¼	63	—1⅝
Cisco s	54604	62⅝	60⅞	62⅛	+⅛
AdvFCm n	53959	46¼	38½	45⅞	—
AppleC	47477	24⅝	22	24⅝	+2⅛
TeleComA	46065	15	14⅛	14½	—⅛
3Com	44825	61½	58⅝	60½	+⅛
DellCpt s	44107	79⅞	76	76⅞	—⅞
Microsft	43150	133⅝	130⅝	132⅝	+⅛
Ascend	40661	65⅝	62½	63¼	—2⅝

AMEX

	Vol.	High	Low	Last	Chg.
IvaxCp	29813	15	13⅞	14	—2¼
Polyph	18764	7½	5	5⅝	—1⅝
ViacB	8833	35⅝	34½	34⅝	—⅜
XCL Ltd	6331	⅛	⅛	⅛	—⅛
SPDR	5614	69⅝	68⅝	69	+⅜
TWA	5489	9⅝	9⅛	9⅜	—
ForstLb	4704	38¼	37⅝	37⅞	+1½
EchoBay	3196	8⅝	8⅝	8⅝	—⅛
TurnB B	2850	28⅝	28	28	—⅛
TubMex	2712	11⅝	10⅝	11⅛	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1316	1356
Declined	1107	1069
Unchanged	819	836
Total issues	3242	3261
New Highs	126	174
New Lows	18	28

Nasdaq

	Noon	Prev. Close
Advanced	1448	1983
Declined	1879	1947
Unchanged	2317	1712
Total issues	5644	5642
New Highs	85	179
New Lows	36	64

AMEX

	Close	Prev.
Advanced	254	276
Declined	294	274
Unchanged	190	209
Total issues	738	759
New Highs	20	27
New Lows	13	5

Market Sales

	Today Close	Prev. cons.
NYSE	418.74	473.20
Amex	18.67	24.09
Nasdaq	508.43	524.29

in millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Imperial Credit 2 for 1 split.				
REVERSE STOCK SPLIT				
Chai Na Ta 1 for 4 reverse split				
OMITTED				
Am Eagle Group		—		
INCREASED				
CNB Bncshrs	Q	.22	10-15	10-30
Chase Corp	A	.15	10-31	11-30
Enron Corp	Q	.225	12-2	12-20
Great South	Q	.20	10-11	10-21
Harcourt Gen	Q	.18	10-14	10-31
Muni Advantage	M	.0665	10-21	11-4
REGULAR				
Amer Res	Q	.16	10-12	10-25
Camco Finl	Q	.115	10-10	10-18
Coastal Finl	Q	.11	10-9	10-23
Detroit Cda Tunnel	Q	.125	10-11	10-21
Diagnostic Pdcts	Q	.12	11-6	11-20

Company	Per	Amt	Rec	Pay
Dreyfus Strat Gv	M	.0625	10-14	10-28
Dreyfus StratMuni	M	.056	10-14	10-28
Frontier Corp	Q	.2125	10-15	11-1
Kemper HI Inco	M	.075	10-15	10-31
Kemper Intermed	M	.055	10-15	10-31
Kemper MultiMkt	M	.0825	10-15	10-31
Kemper Muni Inco	M	.0725	10-15	10-31
Kemper Strat Inco	M	.147	10-15	10-31
Kemper Strat Mun	M	.068	10-15	10-31
LaSalle Re Hold	Q	.25	10-10	10-24
Lennar Corp	Q	.025	11-5	11-15
Mid Continent Bnc	Q	.10	10-10	10-24
NY Tx Ex Inco	M	.053	10-15	11-1
Oppen WrldBd	M	.056	10-11	10-25
Oppen Sect	M	.074	10-11	10-25
Pilgrim Am Prm	M	.0685	10-10	10-23
Rouse Co	Q	.22	12-16	12-23
Southdown Inc	Q	.10	11-15	12-2
Starwood Lodging	Q	.49	10-10	10-24
WLR Foods	Q	.06	10-11	11-1
X-Rite Inc	Q	.025	10-14	11-11

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Oct. 1, 1996

Grains

	High	Low	Close	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	2.99¼	2.92½	2.96	—0.09¾	179,551
Mar 97	3.06¼	3.00¼	3.03	—0.01	67,524
May 97	3.12¾	3.07	3.09	—0.01¾	30,550
Jul 97	3.15¼	3.10	3.11¾	—0.02¼	23,066
Sep 97	3.00	2.96	2.97	—0.01	2,847
Est. sales N.A. Mon's. sales 91,576					
Mon's open int 319,265 off 700					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 96	254.50	248.70	248.90	—5.60	13,991
Dec 96	249.00	245.50	245.80	—3.90	43,766
Jan 97	248.00	244.80	245.20	—3.00	9,724
Mar 97	246.00	243.10	243.50	—2.30	12,475
May 97	243.00	240.50	240.80	—2.20	7,967
Jul 97	242.00	239.00	240.80	—1.90	3,211
Est. sales N.A. Mon's. sales 49,333					
Mon's open int 92,648 off 3778					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Oct 96	24.04	23.53	23.95	+0.09	3,997
Dec 96	24.45	23.85	24.27	+0.08	51,781
Jan 97	24.73	24.16	24.57	+0.10	11,817
Mar 97	25.10	24.55	24.92	+0.05	12,828
May 97	25.40	24.85	25.24	—0.03	7,673
Jul 97	25.70	25.25	25.50	—0.10	1,719
Est. sales N.A. Mon's. sales 38,966					
Mon's open int 91,521 up 3802					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Nov 96	7.56	7.44	7.49¼	—0.08¾	108,847
Jan 97	7.64½	7.53	7.57¼	—0.09¾	31,936
Mar 97	7.72	7.60	7.65½	—0.08¼	16,624
May 97	7.73	7.61½	7.66¾	—0.10½	15,831
Jul 97	7.74	7.64	7.68¾	—0.09¼	12,336
Est. sales N.A. Mon's. sales 86,238					
Mon's open int 190,818 off 5879					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	4.38	4.32	4.33¾	—0.02¼	46,446
Mar 97	4.25½	4.18½	4.18¾	—0.03¾	14,441
May 97	4.02½	3.97½	3.98¼	—0.03¼	1,348
Jul 97	3.80	3.77	3.77½	—0.01¼	6,086
Est. sales N.A. Mon's. sales 19,807					
Mon's open int 68,578 up 1675					

Livestock

	High	Low	Close	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 96	73.95	73.55	73.62	+0.30	23,630
Dec 96	68.47	68.00	68.07	—0.08	36,749
Feb 97	65.30	64.95	65.10	+0.20	16,694
Apr 97	66.70	66.42	66.57	+0.15	8,289
Jun 97	64.35	64.10	64.72	+0.05	3,818
Aug 97	64.22	64.02	64.02	+0.02	4,212
Est. sales 15,743 Mon's. sales 16,130					
Mon's open int 93,734 up 443					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Oct 96	64.90	64.35	64.40	—0.05	6,178
Nov 96	66.05	65.50	65.60	—0.15	3,026
Jan 97	66.10	65.65	65.72	+0.07	1,940
Mar 97	65.17	64.82	64.85	+0.05	1,176
Apr 97	65.20	64.75	64.80	—0.05	771
May 97	65.40	64.85	65.00		717
Est. sales 1,337 Mon's. sales 3,026					
Mon's open int 14,077 off 781					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Oct 96	58.00	57.45	57.82	+0.10	6,108
Dec 96	57.75	57.10	57.27	—0.03	14,693
Feb 97	77.72	77.25	77.55	+0.03	5,535
Apr 97	73.47	72.75	72.92	—0.43	2,315
Jun 97	77.60	76.95	77.30	—0.35	2,596
Jul 97	74.58	73.95	74.10	—0.55	582
Est. sales 6,011 Mon's. sales 10,718					
Mon's open int 34,495 up 1084					
PORK BELLIES (CMER) 40,000 lbs - cents per lb.					
Feb 97	78.95	76.75	78.37	+0.25	4,764
Mar 97	78.90	76.85	78.40	+0.30	905
May 97	79.92	78.00	79.75	+0.20	315
Jul 97	79.75	78.00	79.70	+0.10	132
Aug 97	78.35	78.00	78.35	+0.35	27
Est. sales 2,398 Mon's. sales 1,945					
Mon's open int 6,143 up 419					

Food

	High	Low	Close	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 96	1371	1358	1360	—17	30,589
Mar 97	1401	1388	1390	—15	17,696
May 97	1416	1410	1410	—13	8,132
Jul 97	1428	1425	1426	—14	6,122
Sep 97	1450	1445	1445	—15	5,671
Est. sales 6,442 Mon's. sales 5,706					
Mon's open int 77,360 up 634					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 96	105.60	103.50	104.75	+1.80	14,050
Mar 97	101.50	99.90	100.60	+1.10	5,254
May 97	101.20	99.90	100.70	+1.35	2,090
Jul 97	100.50	100.25	100.25	+0.30	749
Est. sales 7,906 Mon's. sales 7,629					
Mon's open int 22,689 up 896					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.93	10.76	10.78	—0.11	85,507
May 97	10.84	10.72	10.73	—0.09	23,640
Jul 97	10.68	10.60	10.60	—0.06	16,590
Oct 97	10.67	10.57	10.59	—0.08	10,069
Est. sales 11,375 Mon's. sales 28,421					
Mon's open int 143,069 off 3722					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 96	115.25	110.00	110.05	—5.10	7,040
Jan 97	109.00	106.20	106.50	—2.30	6,023
Mar 97	110.25	108.25	108.25	—2.40	2,813
May 97	111.00	110.00	111.00	—1.30	670
Est. sales N.A. Mon's. sales 2,039					
Mon's open int 17,195 off 130					

Metals

	High	Low	Close	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Oct 96	378.50	377.80	378.10	+0.40	739
Nov 96			379.50	+0.50	
Dec 96	381.50	379.00	381.00	+0.50	111,143
Feb 97	383.40	381.90	383.10	+0.60	14,146
Apr 97	385.40	383.80	384.80	+0.20	11,104
Jun 97	387.40	387.10	387.60	+0.60	11,534
Aug 97			390.00	+0.60	4,222
Oct 97			392.50	+0.60	454
Est. sales N.A. Mon's. sales 25,742					
Mon's open int 195,465 off 433					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Oct 96	90.10	88.60	88.75	—2.30	3,958
Nov 96	88.20	88.20	88.20	—2.15	1,744
Dec 96	90.25	87.60	87.85	—2.25	24,582
Jan 97	88.80	88.10	87.60	—2.20	1,227
Feb 97	88.35	87.10	87.35	—2.00	856
Mar 97	88.30	86.80	87.10	—1.85	9,199
Apr 97	87.80	87.80	86.85	—1.95	502
May 97	87.50	87.00	86.85	—1.85	2,894
Jun 97	87.50	87.50	86.75	—1.85	667
Est. sales N.A. Mon's. sales 6,352					
Mon's open int 54,821 up 1258					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Oct 96			486.2	+3.3	16
Nov 96			488.4	+3.3	10
Dec 96	495.5	485.0	491.0	+3.3	68,845
Jan 97			493.5	+3.2	26
Mar 97	503.0	496.0	498.4	+3.2	11,275
May 97	506.0	503.0	503.2	+3.1	6,485
Jul 97			508.1	+3.0	4,911
Sep 97			513.0	+2.9	3,075
Est. sales N.A. Mon's. sales 8,837					
Mon's open int 98,118 up 371					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 96	386.00	384.00	384.50	—0.10	1,481
Jan 97	388.90	386.20	387.30	+0.70	18,479
Apr 97	391.50	390.00	390.10	+0.60	7,260
Jul 97			393.10	+0.60	682
Oct 97			396.60	+0.60	37
Est. sales N.A. Mon's. sales 6,541					
Mon's open int 28,339 off 1029					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1330.00	1331.00	1348.00	1349.00
Forward	1366.00	1367.00	1383.00	1384.00
Copper Cathodes (High Grade)				
Spot	1901½	1903½	1942.00	1944.00
Forward	1907.00	1908.00	1943.00	1944.00
Lead				
Spot	748.00	749.00	758.00	759.00
Forward	754½	755.00	762½	763½
Nickel				
Spot	6915.00	6925.00	7000.00	7010.00
Forward	7030.00	7035.00	7100.00	7105.00
Tin				
Spot	5905.00	5915.00	5945.00	5955.00
Forward	5975.00	5980.00	6010.00	6020.00
Zinc (Special High Grade)				
Spot	994.00	995.00	992½	993½
Forward	1019.00	1019½	1018.00	1019.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Dec 96	94.86	94.77	94.85	+0.08	3,765
Mar 97	94.69	94.61	94.68	+0.07	1,520
Jun 97	94.50	94.46	94.50	+0.03	75
Est. sales N.A. Mon's. sales 187					
Mon's open int 5,360 off 35					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	105-305	105-175	105-29	+ 10	137,348
Mar 97	105-19	105-09	105-175	+ 095	122
Jun 97			105-075	+ 095	
Est. sales 32,500 Mon's. sales 27,061					
Mon's open int 137,464 off 685					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	107-26	107-06	107-21	+ 14	275,871
Mar 97	107-14	107-00	107-13	+ 13	3,169
Jun 97	106-31	106-26	106-29	+ 12	200
Est. sales 58,885 Mon's. sales 44,313					
Mon's open int 279,240 up 2201					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 96	110-02	109-03	109-29	+ 23	360,485
Mar 97	109-20	108-24	109-15	+ 23	22,257
Jun 97	109-00	108-27	109-00	+ 23	5,496
Sep 97	108-19	108-14	108-19	+ 23	478
Est. sales 368,000 Mon's. sales 255,315					
Mon's open int 389,118 off 12985					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 96	109-07	108-18	109-04	+ 0-17	149,567
Mar 97	N.T.	N.T.	108-08	+ 0-17	4
Est. sales: 80,973. Prev. sales: 38,491					
Prev. open int.: 149,591 off 3,350					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 96	99.02	98.58	98.98	+ 0.32	239,212
Mar 97	97.99	97.63	97.97	+ 0.31	4,167
Est. sales: 179,700. Prev. sales: 89,717					
Prev. open int.: 243,379 off 3,890					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 96	122.05	121.02	121.95	+ 0.46	72,433
Mar 97	N.T.	N.T.	121.19	+ 0.46	73,304
Est. sales: 72,775. Prev. sales: 44,231					
Prev. open int.: 73,304 off 2,312					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	125.10	124.74	125.08	+0.26	205,912
Mar 97	124.86	124.62	124.92	+0.26	23,095
Jun 97	123.68	123.56	123.86	+0.26	1,237
Est. volume: 121,609. Open int.: 230,244 up 35.					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Oct 96	94.390	94.360	94.380	+10	36,564
Nov 96	94.310	94.260	94.300	+40	9,371
Dec 96	94.270	94.280	94.260	+50	491,351
Mar 97	94.160	94.050	94.140	+70	350,459
Jun 97	93.990	93.880	93.970	+70	257,958
Sep 97	93.830	93.720	93.810	+70	173,403
Mar 00	93.060	92.970	93.050	+70	39,976
Jun 00	93.000	92.920	92.990	+70	35,195
Est. sales N.A. Mon's. sales 253,370					
Mon's open int 2,296,276 off 2868					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 96	1.5658	1.5616	1.5640	—6	39,723
Mar 97	1.5640	1.5620	1.5640	—6	88
Jun 97			1.5640	—6	2
Est. sales N.A. Mon's. sales 3,637					
Mon's open int 39,813 up 353					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 96	.7378	.7358	.7376	+10	46,240
Mar 97	.7407	.7390	.7406	+11	1,063
Jun 97	.7425	.7419	.7428	+12	610
Sep 97	.7445	.7435	.7449	+13	134
Est. sales N.A. Mon's. sales 6,933					
Mon's open int 48,084 up 1601					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 96	.6607	.6582	.6587	—3	67,402
Mar 97	.6640	.6627	.6630	—3	1,534
Jun 97			.6673	—3	2,112
Est. sales N.A. Mon's. sales 19,292					
Mon's open int 71,048 up 916					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 96	.009120	.009068	.009071	—5	75,359
Mar 97	.009220	.009188	.009191	—6	1,660
Jun 97	.009315	.009310	.009311	—7	193
Est. sales N.A. Mon's. sales 18,812					
Mon's open int 77,230 up 2783					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 96	.8062	.8032	.8040	+1	40,460
Mar 97	.8132	.8118	.8121	+1	1,419
Jun 97			.8204		69
Est. sales N.A. Mon's. sales 9,726					
Mon's open int 42,148 up 945					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 96	94.03	94.00	94.02	Unch.	117,683
Mar 97	93.88	93.83	93.87	+ 0.01	88,240
Jun 97	93.64	93.57	93.63	+ 0.04	77,490
Sep 97	93.36	93.29	93.35	+ 0.05	42,784
Dec 97	93.10	93.01	93.09	+ 0.07	33,089
Mar 98	92.90	92.82	92.90	+ 0.07	24,908
Jun 98	92.75	92.67	92.75	+ 0.07	19,781
Sep 98	92.60	92.57	92.64	+ 0.07	13,019
Dec 98	92.55	92.47	92.55	+ 0.08	13,607
Mar 99	92.44	92.38	92.44	+ 0.06	6,453
Jun 99	92.32	92.29	92.36	+ 0.07	3,870
Sep 99	92.23	92.23	92.27	+ 0.07	1,036
Est. sales: 50,230. Prev. sales: 43,082					
Prev. open int.: 432,972 up 1,195					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Dec 96	96.87	96.84	96.87	+ 0.02	210,421
Mar 97	96.82	96.77	96.81	+ 0.03	214,752
Jun 97	96.67	96.58	96.67	+ 0.07	159,437
Sep 97	96.44	96.33	96.43	+ 0.09	132,580
Dec 97	96.13	96.00	96.11	+ 0.10	97,330
Mar 98	95.80	95.67	95.78	+ 0.10	68,754
Jun 98	95.46	95.34	95.45	+ 0.11	45,813
Sep 98	95.14	95.02	95.14	+ 0.12	35,528
Dec 98	94.84	94.73	94.84	+ 0.11	26,948
Mar 99	94.57	94.46	94.57	+ 0.11	23,130
Jun 99	94.26	94.21	94.30	+ 0.09	13,150
Sep 99	94.02	93.98	94.06	+ 0.10	4,713
Est. sales: 137,526. Prev. sales: 58,172					
Prev. open int.: 1,029,681 off 3,149					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 96	96.33	96.27	96.31	+0.00	66,235
Mar 97	96.27	96.23	96.26	+0.00	37,544
Jun 97	96.18	96.14	96.16	+0.00	25,229
Sep 97	96.01	95.98	96.00	+0.00	15,884
Dec 97	95.81	95.78	95.80	+0.01	10,359
Mar 98	95.60	95.57	95.59	+0.01	8,902
Jun 98	95.35	95.31	95.35	+0.03	6,675
Sep 98	95.08	95.05	95.08	+0.03	5,701
Dec 98	94.79	94.79	94.80	+0.01	6,801
Mar 99	94.57	94.54	94.57	+0.03	8,520
Jun 99	94.31	94.31	94.31	+0.04	2,216
Sep 99	N.T.	N.T.	94.03	+0.03	220
Est. volume: 36,999. Open int.: 194,286 off 1,039.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 96	92.29	92.18	92.27	— 0.01	56,988
Mar 97	92.80	92.66	92.79	+ 0.04	31,785
Jun 97	93.02	92.86	93.01	+ 0.06	26,924
Sep 97	93.05	92.91	93.04	+ 0.06	13,284
Dec 97	93.02	92.98	92.98	+ 0.05	7,312
Mar 98	92.90	92.81	92.90	+ 0.06	3,163
Est. sales: 36,414. Prev. sales: 31,820					
Prev. open int.: 139,456 up 5,489					

Industrials

	High	Low	Close	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 96	75.15	74.80	75.20	+0.42	753
Dec 96	76.19	75.40	76.16	+0.48	30,108
Mar 97	77.40	76.55	77.35	+0.45	10,048
May 97	78.10	77.50	78.00	+0.45	6,659
Jul 97	78.25	77.90	78.50	+0.45	4,841
Oct 97	78.40	77.90	78.40	+0.20	1,800
Est. sales N.A. Mon's. sales 8,862					
Mon's open int 57,458 off 857					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Nov 96	71.70	69.80	70.65	—0.10	47,991
Dec 96	70.45	68.90	69.65	—0.18	30,512
Jan 97	68.90	67.50	68.39	+0.05	22,876
Feb 97	66.50	65.60	66.00	+0.10	12,374
Mar 97	63.25	62.08	63.08	+0.30	6,411
Apr 97	60.05	59.20	59.20	—0.15	3,816
May 97	57.35	56.60	57.35	+0.50	2,226
Jun 97	55.95	55.50	55.95	+0.50	2,599
Jul 97	55.40	54.80	55.40	+0.50	2,163
Aug 97	55.40	54.85	55.40	+0.30	2,421
Est. sales N.A. Mon's. sales 36,541					
Mon's open int 144,124 off 1282					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Nov 96	24.48	23.83	24.14	—0.24	82,077
Dec 96	23.90	23.30	23.58	—0.19	67,018
Jan 97	23.29	22.83	23.00	—0.20	42,832
Feb 97	22.68	22.30	22.48	—0.20	28,402
Mar 97	22.11	21.85	21.90	—0.20	17,788
Apr 97	21.50	21.47	21.49	—0.20	14,314
May 97	21.29	21.05	21.09	—0.20	8,702
Jun 97	20.92	20.70	20.72	—0.20	26,215
Jul 97	20.52	20.52	20.45	—0.19	10,073
Aug 97	20.35	20.25	20.30	—0.18	8,635
Sep 97	20.09	19.85	19.95	—0.17	10,163
Oct 97			19.73	—0.17	8,851
Nov 97	19.50	19.50	19.51	—0.17	5,318
Est. sales N.A. Mon's. sales 68,979					
Mon's open int 401,065 up 3841					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Nov 96	2.240	2.165	2.185	—29	27,906
Dec 96	2.410	2.345	2.380	—24	20,329
Jan 97	2.430	2.375	2.385	—11	17,368
Feb 97	2.355	2.310	2.320	—6	9,789
Mar 97	2.250	2.210	2.215	—2	7,589
Apr 97	2.090	2.080	2.082		5,213
May 97	2.030	2.015	2.024		4,480
Jun 97	1.990	1.977	1.979		4,201
Jul 97	1.967	1.964	1.964		3,324
Aug 97	1.975	1.959	1.959		3,272
Sep 97	1.964	1.955	1.954		2,684
Est. sales N.A. Mon's. sales 23,726					
Mon's open int 130,845 off 270					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Nov 96	63.45	61.30	62.82	+0.56	26,494
Dec 96	63.00	61.20	62.40	+0.32	11,895
Jan 97	62.45	61.15	61.95	+0.27	8,744
Feb 97	62.00	61.00	61.68	+0.22	2,516
Mar 97			61.95	+0.22	1,226
Apr 97	64.05	64.05	63.80	+0.17	1,931
Est. sales N.A. Mon's. sales 33,652					
Mon's open int 56,159 off 1881					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Oct 96	236.25	228.50	235.75	+3.25	21,659
Nov 96	225.75	220.00	225.00	+1.75	17,392
Dec 96	217.50	212.50	217.00	+1.50	19,142
Jan 97	210.25	205.50	209.75	+1.50	13,157
Feb 97	201.00	197.75	201.75	+1.75	3,244
Mar 97	193.00	189.50	193.50	+2.50	3,761
Apr 97	185.00	181.75	185.50	+3.50	3,126
May 97	N.T.	N.T.	181.00	+2.75	1,110
Jun 97	173.50	173.50	177.00	+2.00	5,467
Jul 97	174.00	174.00	175.50	+2.00	165
Aug 97	173.25	173.25	175.00	+2.00	291
Sep 97	N.T.	N.T.	174.50	+1.75	235
Est. sales: 17,780. Open int.: 89,735 up 3,294					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Nov 96	23.32	22.67	23.07	—0.14	50,860
Dec 96	22.84	22.28	22.59	—0.11	47,436
Jan 97	22.26	21.78	22.05	—0.05	24,448
Feb 97	21.64	21.25	21.46	—0.03	14,250
Mar 97	21.00	20.67	20.84	—0.03	14,342
Apr 97	20.25	20.25	20.31	—0.02	5,394
May 97	N.T.	N.T.	19.87	—0.03	2,275
June 97	19.44	19.36	19.50	—0.04	5,973
July 97	19.24	19.24	19.25	—0.02	1,706
Aug 97	N.T.	N.T.	19.02	—0.01	633
Sep 97	18.83	18.83	18.82	—0.01	3,695
Est. sales: 46,872. Open int.: 172,233 up 1,130					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Dec 96	694.90	689.20	692.80	+1.40	176,638
Mar 97	701.00	695.60	700.70	+2.95	4,865
Jun 97	707.00	701.90	706.70	+2.80	1,865
Est. sales N.A. Mon's. sales 57,756					
Mon's open int 182,735 off 350					
FTSE 100 (LIFFE) £25 per index point					
Dec 96	4029.0	3989.0	4028.0	+ 41.0	58,262
Mar 97	N.T	N.T	4040.0	+ 41.0	370
Jun 97	N.T	N.T	4050.0	+ 41.0	300
Est. sales: 13,957. Prev. sales: 9,841					
Prev. open int.: 58,932 up 73					
CAC 40 (MATIF) FF200 per index point					
Oct 96	2138.0	2126.0	2127.5	— 6.50	28,306
Nov 96	2137.0	2135.0	2132.5	— 6.50	1,815
Dec 96	2147.0	2137.0	2138.0	— 6.00	16,926
Mar 97	2156.5	2156.5	2155.5	— 6.50	5,075
Sep 97	2135.0	2135.0	2134.0	— 6.00	5,520
Mar 98	2177.0	2177.0	2176.5	— 5.50	2,575
Est. volume: 11,386. Open int.: 60,217 off 10,354.					

Commodity Indexes

	Close	Previous
Moody's	1,454.20	1,468.10
Reuters	1,882.70	1,892.50
D.J. Futures	147.35	147.16
CRB	244.46	245.67

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BBV Builds Presence In Latin America With Argentine Deal

Bloomberg Business News

MADRID — Banco Bilbao Vizcaya SA said Tuesday it would buy a controlling 30 percent stake in Banco Frances del Rio de Plata, Argentina's third-largest bank and its biggest pension-fund manager.

The move should allow BBV to take advantage of fatter lending margins in Latin America compared with Spain. It also helps BBV expand into the continent's south, where it has a minor presence.

BBV refused to say how much it paid for the stake, but analysts' estimates ranged from $360 million to $380 million. That would mean BBV paid a 14 percent premium above market prices for the bank.

Banco Frances American depositary receipts were up 50 cents at $26.625 in late trading on the New York Stock Exchange. BBV shares closed at 5,940 pesetas ($46.20) on the Madrid Stock Exchange, a rise of 20 pesetas.

Banco Frances has $3.75 billion in assets and $1.9 billion in deposits.

The purchase is part of BBV's strategy to raise its presence in Latin America, where lending margins remain healthier than in Spain's highly competitive market. With the Banco Frances purchase, BBV will have invested more than $1 billion in Latin American holdings. The Spanish bank now controls $20 billion in assets and has operating offices in eight Latin American countries.

In June, BBV paid $300 million for a 40 percent stake in Banco Ganadero SA, Colombia's largest bank.

"It fits in nicely," said Juan Berberana, a banking analyst with AB Asesores in Madrid. "The south was the weakest part of their expansion. They had concentrated on the northern part of the continent and not in the south where economies are more developed like Argentina, Chile and Uruguay. That's where this comes in."

Banco Frances is positioning itself to be the first Argentinean bank to get involved in financing the estimated $4 billion in trading business within Mercosur — the free-trade zone among Argentina, Uruguay, Paraguay and Brazil. Banco Frances currently has offices in Uruguay and Brazil.

The purchase also will give BBV standing in Argentina's growing pension fund market. Banco Frances has 14 percent of the pension fund market. Its Consolidar Group had $660 million in funds under management and generated net income of $19.4 million for the bank.

Banco Frances earned a net profit of $73.9 million in its 1996 financial year, which ended in June. Merrill Lynch & Co. estimates net profit will rise to $96 million in 1997.

Bulgaria to Sell State Companies

Bloomberg Business News

SOFIA — Bulgaria, facing $250 million in foreign debt payments, will sell stakes in state-owned companies after years of political bickering and bureaucratic delay.

The sales will involve 18 companies in the next few months, said Olivier Descamps, head of the European Bank for Reconstruction and Development's Bulgaria team.

"Foreign strategic investors have been frustrated over the last few years by the government's unwillingness to do a deal," Mr. Descamps said. "We believe now that the top leadership has bitten the bullet and has overcome the resistance from the old guard and other internal groups."

The government hopes to raise $1 billion from the sales of the companies in industries including chemicals and refining, shipyards and hotels.

Bulgaria must pay holders of its Brady bonds $120 million in interest payments in January and other payments totaling $130 million are due in the fourth quarter of this year. The central bank's foreign currency reserves total just over $500 million currently, excluding gold.

The Bulgarian central bank governor, Lubomir Filipov, said that the government and opposition had reached agreement to sell the companies quickly.

Euro Threatens Dollar's Clout

European Central Banks Could Sell Reserves

Reuters

LONDON — A single European currency is likely to cause a multibillion dollar adjustment in global central bank reserves, presenting the biggest challenge to the dollar's dominance as a benchmark currency since World War II, bankers and officials say.

Over time, as European central banks shift their reserves from dollars into the Euro, as the single currency will be called, economists estimate that the value of the American currency could be devalued.

The shift also could enhance the credibility of the Euro by offsetting any flight of private capital to dollars on early uncertainty about the stability of the new currency when it is launched in 1999.

As participating countries shift to the Euro, they will be left with large excess reserves of dollars, which they will then be able to use to reduce government debt, easing concerns about fiscal strains after European economic and monetary union.

These conclusions are drawn from a number of official and private studies conducted by the European Commission and the U.S. Federal Reserve as well as private banks and investment houses.

"The impact of EMU on demand for reserves comes against a backdrop of a steady accumulation of dollar reserves by EU countries in recent years," said Joe Prendergast, foreign exchange strategist at Merrill Lynch in London. "After EMU, these dollars will become increasingly surplus to requirements."

Studies estimate the drop in demand for dollar reserves within the European Union could be as much as $200 billion around or after the introduction of the single currency. Economic and monetary union is now widely expected to start with between six and eight countries on Jan. 1, 1999.

"It is argued that official dollar holdings could decline on the order of 35 percent or more from current dollar holdings, although the range of uncertainty is quite large," according to a report written in 1994 by Michael Leahy, staff economist at Federal Reserve Board.

A reserve imbalance will occur partly because European Union countries starting monetary union will have far more foreign exchange reserves, mostly stored in dollars, than is typically needed by a single currency area or a single central bank.

A possible eight-country Euro area of Germany, France, the Netherlands, Belgium, Luxembourg, Austria, Ireland and Finland is estimated to have a total of about $200 billion worth of foreign exchange reserves at present.

The reserves these countries now denominate in each other's currencies — but mainly Deutsche marks — will automatically be converted into Euros, or domestic currency, on the day monetary union takes effect.

This will lead to the effective disappearance of as much as $50 billion in foreign currency reserves, analysts said.

But even with that reduction in reserves the Euro zone will still have $150 billion of reserves, almost entirely in dollars. This is still seen as far greater than needed.

The Maastricht treaty only requires 50 billion European currency units ($75.4 billion) to be transferred to the European Central Bank at the start of monetary union. That still leaves an excess of about $75 billion in EU coffers.

Another way of looking at optimal levels of European Central Bank reserves suggests that, based on an import-to-reserves ratio consistent with the average in industrial countries at present, the bank would only need about $80 billion. That corresponds to estimated imports of about $700 billion from outside the Euro area.

Even if the European central banks decided to hold $100 billion worth of reserves in the initial days of the Euro to enhance the perceived stability of the unit, it would still have about $50 billion of excess dollars. The total excess reserves in the Euro zone would then be about $100 billion.

"Excess reserves represent an economic loss," said Avinash Persaud, head of European currency research at J.P. Morgan & Co., who wrote a report on the subject in August. "Here is capital that fiscally hard-pressed governments will want to put to other more productive uses."

This extra cash could then be used either to reduce debt levels or relieve the burden on spending and deficits.

Kohl's Party Proposes Big Tax Cut

Reuters

BONN — Chancellor Helmut Kohl's Christian Democratic Union released a paper on Tuesday outlining the party's proposals for a sweeping tax reform that would cut Germany's top income-tax rate to about 35 percent from 53 percent.

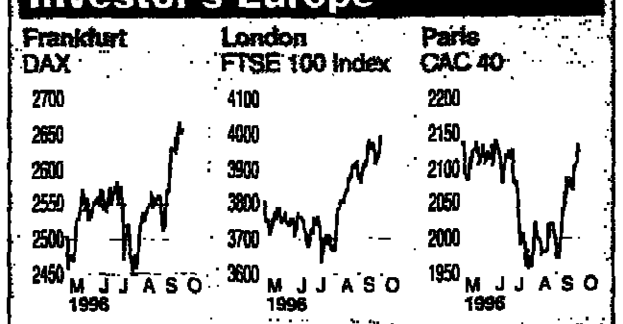
The plan is similar to one put forward Monday by Finance Minister Theo Waigel, who said he saw the top rate falling to between 35 percent and 40 percent.

The Christian Democrats will present their plan at a party congress at the end of the month. Mr. Waigel's tax-reform commission has until the end of the year to make its final proposal.

The Christian Democratic Union's paper said the reform was aimed at cutting taxpayers' burden substantially. It did not give a figure.

On Monday, Mr. Waigel said his plan would result in up to 30 billion Deutsche marks ($19.65 billion) in net relief for taxpayers, on gross reductions of 80 billion DM to 90 billion DM. Mr. Waigel said the difference was the result of tighter rules on deductions and a broadening of the tax base. The Christian Democrats' plan would tighten rules on taxing capital gains on stock and real estate sales, with an exception for primary residences.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	EOE	576.93	576.96	-0.01
Brussels	Stock Exchange	9,796.30	9,764.94	+0.32
Frankfurt	DAX	2,655.73	2,651.85	+0.15
Copenhagen	Stock Market	437.19	433.55	+0.84
Helsinki	HEX General	2,186.24	2,174.14	+0.56
Oslo	OBX	466.76	462.14	+1.00
London	FTSE 100	3,992.20	3,953.70	+0.97
Madrid	Stock Exchange	370.10	368.27	+0.50
Milan	MIBTEL	10,074.00	10,176.00	-1.00
Paris	CAC 40	2,123.21	2,132.81	-0.45
Stockholm	SX 16	2,207.94	2,176.01	+1.47
Vienna	ATX	1,053.53	1,048.72	+0.46
Zurich	SPI	2,394.76	2,393.95	+0.03

Source: Telekurs International Herald Tribune

Very briefly:

- **Hoogovens NV** and **Usines Gustave Boel SA** of Belgium plan to form a 50-50 joint venture, comprising the industrial activities of Boel in Belgium and France.
- **Olivetti SpA** shares dropped 6 percent in Milan after the troubled Italian information systems and computer company reported its debt had doubled to 2.395 trillion lire ($1.57 billion) in two months. Olivetti officials, who are meeting with financial institutions on Thursday, also said they expected the second half to be difficult.
- **Svenska Handelsbanken AB** dismissed rumors of a merger with **Skandinaviska Enskilda Banken AB**, saying a merger is not currently being discussed.
- **Aker A/S** and investment group **Resource Group International A/S**, both of Norway, announced a merger a day after declaring that talks had been discontinued. The merged company, Aker RGI A/S, will be one of the largest industrial groups in Scandinavia and will focus on seafood, cement and oil and gas.
- **French auto sales** shot up 86 percent in September compared with a year earlier as buyers raced to showrooms to beat the deadline for a government rebate. The yearlong cash-back offer of up to 7,000 francs ($1,354) ended Monday, but it helped **PSA Peugeot Citroen SA** lift sales 92 percent last month, to 216,492 cars. **Renault SA**'s sales rose 74 percent, to 61,100 autos.
- **GPA Group PLC**, an Irish aircraft leasing company, said it swung to a first-quarter profit of $15 million, as it reaped a one-time gain of $18 million from a sale of securities.
- **House of Fraser PLC** widened its first-half pretax loss to £13.6 million ($21.3 million) because of exceptional costs, even though sales rose nearly 4 percent. The British retailer also announced a radical cost-cutting drive that could mean job cuts and up to 10 store closures. *Reuters, Bloomberg, AFX, AP*

WORLD STOCK MARKETS

Tuesday, Oct. 1
Prices in local currencies.
Telekurs

Amsterdam
EOE index: 576.93 Previous: 576.96

	High	Low	Close	Prev.
ABN-AMRO	94.90	94.40	94.40	94.90
Aegon	85.20	84.70	85.20	84.50
Ahold	97.80	96.50	97.60	96.90
Akzo Nobel	210.70	206.80	210.10	207.40
Bols Wess cva	28.60	28	28.20	28.50
CSM cva	89	87.10	88.70	87.10
Dordtsche Pet	289.70	288	288.70	288.40
DSM	171	167.30	171	168
Elsevier	28.50	28	28.20	28.30
Fortis Amev	51.80	51	51.40	51.20
G-Broc cva	54	53.10	53.60	53.80
Hagemeyer	133	131.80	132.50	132.80
Heineken	314	308.50	309.20	312.50
Hoogovens	63.10	61.80	62.70	61.30
Hunt Douglas	122.60	119.80	122.30	119.50
ING Group	53.60	52	52.70	53.40
KLM	45.40	44.70	45	45.80
KNP BT	40	39.50	39.80	40.20
KPN	59	58.50	58.50	58.90
Nedlloyd Gp	43.90	43.50	43.70	43.70
Nutricia	229.90	225.60	228.50	226
Oce Grinten	188.90	186.50	188.90	186.90
Pakhoed	49.70	48.50	49.60	49
Philips Elec	62	61.30	61.70	61.80
Polygram	96.20	94.50	95.80	95.80
Randstad Hdg	138.50	134.20	138.20	135
Robeco	131.10	130.60	130.80	131
Rodamco	47.90	47.70	47.90	47.50
Rolinco	140	139.80	139.80	140
Rorento	100.80	100.70	100.80	100.80
Royal Dutch	268.50	266.60	267.90	267.50
Stork	53	52.40	52.80	52.60
Unilever cva	269.50	267.70	269.40	270.10
VNU	33.50	32.70	33.20	33.50
Wolters Kl cva	217	213.20	216.90	215.30

Bangkok
SET index: 1085.44 Previous: 1099.81

	High	Low	Close	Prev.
Adv Info Svc	350	340	344	348
Bangkok Bk F	338	334	336	332
Krung Thai Bk	110	107	107	110
PTT Explor	364	354	356	364
Siam Cement F	1042	1018	1018	1036
Telecomasia	54	52.50	53.50	51.50
Thai Airways	50	48.25	48.25	50
Thai Farm Bk F	266	264	266	268
Thai Telesh	46	44	44.75	43.50
Utd Comm	268	266	260	264

Bombay
Sensitive index: 3229.48 Previous: 3229.48

	High	Low	Close	Prev.
Assoc Cement	1783.50	1752	1779.75	1779.75
Grasim Ind	405	388	389.50	389.50
Hindalco Ind	690	675	687.50	687.50
Indust Lever	820	813.75	818.50	818.50
Indian Hotels	717	690	696.50	694.50
ITC	301.50	295.50	300.25	300.25
Larsen Toubro	234.50	228	232	232
Reliance Ind	190.75	185	190.50	190.50
Tata Eng Loco	452	440	445.75	445.75
Tata Iron St	171.75	166.75	171.50	171.50

Brussels
Stock Exchange index: 9796.30 Previous: 9764.94

	High	Low	Close	Prev.
Arbed	3700	3660	3680	3670
Barco Ind	5210	5170	5200	5180
BBL	6200	6150	6200	6160
Bekaert	24175	23700	23850	23700
CBR	2325	2320	2325	2320
CMB	2515	2500	2515	2500
Cockerill	132	128	132	130
Colruyt	13000	12500	12775	12475
Delhaize Lion	1780	1740	1780	1740
Electrabel	7050	7010	7050	7010
Electrafina	2930	2900	2930	2930
Fortis AG	4430	4410	4425	4420
GIB	1306	1300	1302	1304
GBL	3930	3900	3925	3900
Gen Banque	10925	10825	10925	10850
Glaverbel	3460	3410	3420	3440
Kredietbank	10300	10175	10225	10300
Mosane	2410	2410	2410	2450
Petrofina	9790	9700	9770	9720
Powerfin	4520	4465	4500	4510
Recticel	278	278	278	272
Royale Belge	6280	6230	6260	6240
Soc Gen Belg	2465	2450	2465	2455
Solvay	19000	18925	19000	18900
Tessenderlo	11400	11375	11400	11400
Tractebel	14700	14650	14675	14650
UCB	61000	60750	60900	61000
Union Miniere	2340	2320	2325	2320

Copenhagen
Stock Index: 437.19 Previous: 433.55

	High	Low	Close	Prev.
Carlsberg B	360	355	358	355
Danisco	340	333.67	338	337
Den Danske Bk	430	426	427	427
D/S Svendborg A	N.T.	N.T.	N.T.	205000
D/S 1912 A	N.T.	N.T.	N.T.	140250
East Asiatic Co	127	121	124	125
FLS Ind B	770	740	770	760
ISS Intl Svc B	151	148	150	150
Novo Nordisk B	921	913	916	913
Radiometer B	376	370	374.53	375
Sophus Ber B	707	701	706	697
Tele Danmark B	379	375	376	378
Unidanmark A	283	275	277	280

Frankfurt
DAX: 2655.73 Previous: 2651.85

	High	Low	Close	Prev.
AMB	1145	1130	1140	1159
Allianz Hdg	2710	2689	2698	2694
Altana	1270	1237	1270	1237
Badenwerk	562	562	562	562
BASF	48.50	47.80	48.40	48
Bayer Hypo Bk	44	43.45	43.99	43.55
Bay.Vereinsbank	53.80	53.05	53.50	53
Bayer	56.14	55.85	56	56
Bilfinger Berg	419	418	418	415
BHF Bank	39.70	39.30	39.70	39.50
BMW	884	873	878.50	872.50
CKAG Colonia	118.50	117.50	118.50	117.50
Commerzbank	34.88	34.67	34.88	34.50
Daimler Benz	84.15	83.60	83.98	83.90
Degussa	572	562	568.50	552.50
Deutsche Bank	72.15	71.75	71.82	71.90
Dresdner Bank	40.23	40.10	40.23	40.23
Heidelbg Zmt	108.50	107	108.50	106.50
Henkel	67.70	66.90	67.40	66.40
Hochtief	74	73.40	74	72.80
Hoechst	55.85	55.55	55.85	55.60
Holzmann Ph.	355	348	349	348
Karstadt	527	525	527	527
Linde	985	979	980	975
Lufthansa ord	218.70	217.50	218	217.50
MAN	395	393.50	394	394
Mannesmann	571	569.20	569.50	572
Metro	140	139.60	139.70	139.30
Muench Rueck	3469	3440	3453	3460
Preussag	384	381	381.50	380.50
PWA	218	210	218	215
RWE	57.90	57.30	57.70	57.60
SAP pfd	255	251.90	252.20	252.50
Schering	119.40	118.50	119.10	118
Schmalb Lab	297	291	294	297
Siemens	80.30	79.85	80.22	80.46
Suedzucker	657	640	640	660
Thyssen	285.50	283.70	283.70	282.30
Veba	80.15	79.70	79.80	79.90
VEW	500	478	495	478
Viag	590.50	589	590.50	585.50
Volkswagen	567	563.50	565	569
Wella	909	903.50	904.50	920

Helsinki
HEX General index: 2186.34 Previous: 2174.14

	High	Low	Close	Prev.
Cultor 1	236	234	235	235
Enso R	36.70	35.80	36.50	35.80
Huhtamaki 1F	171	168	169	172
Kesko	75	73.40	74.50	73.40
Kone BF	474	470	470	470.20
Merita A	10.80	9.98	10.60	9.97
Metra BF	270	263	268	262
Metso-Serla B	29.80	29.50	29.60	30
Nokia Prf F	202.50	200.30	201.50	203.90
Outokumpu A	86	83	84.70	84
Rautaruukki	41.40	40	41.20	40
Stockmann A	265	263	263	263
UPM-Kymmene	96.50	95.30	96.50	95.20
Valmet A	77.80	75.50	76.30	75.30

Hong Kong
Hang Seng: 11921.22 Previous: 11902.40

	High	Low	Close	Prev.
Amoy Props	9.10	9	9.05	8.95
Bk East Asia	28.85	28.45	28.85	28.45
Cathay Pacific	12.45	12.40	12.45	12.55
Cheung Kong	60	59.25	59.75	59.50
China Light	36	35.70	35.80	36
Chin Estates	7	6.90	7	6.80
Citic Pacific	35.10	34.80	35	35
Cons Elec Pwr	16.35	15.95	16	16.35
Dao Heng Bk	31.70	30.50	31.60	30.50
First Pacific	11.75	11.50	11.60	11.70
Great Eagle	23.15	22.95	23.10	23
Guangdong Inv	5.55	5.40	5.50	5.45
Gooco Group	38.30	37.80	38.20	37.80
Hang Lung	14.90	14.75	14.80	14.80
Hang Seng Bk	83.25	82	83.25	82
Henderson Inv	8.45	8.55	8.60	8.70
Henderson Ld	66.25	65.50	66.25	66.25
HKR Intl	9.05	8.80	8.90	9
HK Aircraft	19.40	19.20	19.30	19.25
HK China Gas	13.20	13.05	13.05	13.15
HK Electric	25.10	24.95	24.95	25
HK Shang Htls	14	13.80	13.85	13.95
HK Telecomm	14.20	13.90	14.15	14
Hopewell Hdgs	4.53	4.35	4.53	4.38
HSBC Hdgs	144.50	143	143.50	143.50
Hutchison Wh	52.50	51.50	52.25	52
Hysan Dev	24.58	24.25	24.35	24.10
Johnson El 500	17.90	17.50	17.50	17.70
Mandarin Hotel	15.60	15.30	15.60	15.50
Natl Mutual	6.80	6.80	6.80	6.70
New World	40.50	40.10	40.40	40.70
Oriental Press	3.93	3.83	3.93	3.75
Shangri-La	10.35	10.25	10.25	10.30
SHK Props	83	81.75	82.50	82.25
Shun Tak Hdgs	5.15	5	5	5.20
Sino Land Co.	8.50	8.35	8.45	8.45
Sth China Post	5.65	5.45	5.65	5.65
Swire Pac A	69.50	68	68.25	69.25
Tsim Sha Tsui	10.60	10.40	10.55	10.50
TV Broadcasts	28.80	27.75	27.90	28.75
Wharf Hdgs	32.40	31.60	32	32
Wheelock	17.10	16.90	16.95	17.10

Jakarta
Composite index: 580.21 Previous: 573.94

	High	Low	Close	Prev.
Astra Intl	3800	3725	3750	3800
Barito Pacific	1425	1400	1425	1425
Gudang Garm	9200	8900	9100	8750
Indah Kiat	1825	1775	1825	1775
Indocement	3750	3675	3700	3650
Indofood	4950	4900	4950	4950
Indorayon	N.T.	N.T.	N.T.	2025
Indosat	7750	7725	7750	7825
Kalbe Farma	5525	5500	5500	5850
Sampoerna	22400	21800	22300	22600

Johannesburg
All Market: 6894.22 Previous: 6878.04

	High	Low	Close	Prev.
AngloAm-Corp	278.50	275.50	278.50	278
AngloAm Gold	380	377	380	377
AngloAm Ind	160	158	159.50	160
Barlow	44.50	43.95	44	44
C.G. Smith	23.50	23	23.45	23.55
De Beers	141.75	140	141.50	141
Driefontein	51.25	49.05	51	49.60
Freegold	44.25	42.10	44.25	43.25
Fst Natl Bk	27	26.40	26.70	27.05
Gencor	16.35	15.95	16.30	16.20
GFSA	128.75	128	128.75	129
Iscor	3.06	2.98	3.06	2.99
Johnnies Ind	55.25	54.50	55	54.75
Kloof Gold	37.55	35.50	37.25	36.25
Liberty Life	139	137	138.75	137.25
Minorco	99.75	97.50	99.75	100
Nedcor	65.75	64.50	65.75	65.25
Rembrandt Gp	41	38.60	41	41
Richemont	73.75	72.75	73.25	73.50
Rust Platinum	71	69.50	71	71.50
SA Breweries	128.25	119.25	119.75	121
Sappi	40.60	39.40	40.50	39.50
Sasol	54	52.75	53.50	53.50
SBIC	189	184.50	187	187
Tiger Oats	64.25	63	64	64

Kuala Lumpur
Composite: 1134.96 Previous: 1135.27

	High	Low	Close	Prev.
Genting	18.50	18.20	18.50	18.20
Hicom Hldgs	6.95	6.80	6.90	6.85
Mal Banking	24.90	24.70	24.70	24.90
Mal Intl Ship F	7.75	7.70	7.75	7.70
Public Bank F	4.70	4.64	4.66	4.64
Resorts World	14.30	14	14	14.20
Sime Darby	8.35	8.25	8.35	8.30
Telekom Mal	22.20	22	22.10	22.10
Tenaga	8.80	8.70	8.70	8.80
Utd Engineers	19.40	19.30	19.40	19.40

London
FT-SE 100: 3992.20 Previous: 3953.70

	High	Low	Close	Prev.
Abbey Natl	6.07	5.88	6	5.94
Allied Domecq	4.54	4.49	4.52	4.49
Anglian Water	5.50	5.35	5.43	5.38
Arjo Wiggins	1.74	1.71	1.71	1.72
Asda Group	1.08	1.05	1.07	1.06
Assoc Br Foods	4.13	4.07	4.13	4.09
BAA	5	4.93	5	4.94
Barclays	9.53	9.38	9.48	9.39
Bass	8.50	7.75	7.83	7.80
BAT Ind	5	4.25	4.32	4.26
Bank Scotland	2.57	2.48	2.56	2.48
BICC	2.98	2.91	2.95	2.95
Blue Circle	3.92	3.83	3.90	3.85
BOC Group	8.76	8.65	8.75	8.76
Boots	6.30	6.20	6.30	6.23
Bowater	4	3.92	3.97	3.93
BPB Ind	3.83	3.74	3.80	3.74
Brit Aerosp	10.73	10.53	10.73	10.57
Brit Airways	5.57	5.42	5.57	5.42
Brit Gas	2	1.97	1.99	2
Brit Petrol	6.73	6.59	6.73	6.63
Brit Steel	1.99	1.94	1.95	1.98
Brit Telecom	3.70	3.56	3.63	3.57
BTR	2.76	2.68	2.74	2.71
Burmah Cast	11.55	11.38	11.44	11.44
Cable Wireless	4.52	4.45	4.51	4.49
Cadbury Schw	5.18	5.08	5.18	5.14
Caradon	2.50	2.47	2.49	2.47
Carlton Comm	4.86	4.80	4.84	4.83
Coats Viyella	1.49	1.46	1.48	1.47
Comml Union	6.07	5.98	6.03	6.07
Courtaulds	4.80	4.75	4.79	4.81
De La Rue	5.98	5.90	5.92	5.95
EMI Group	13.48	13.32	13.47	13.35
Eng China Cl	2.02	1.95	1.95	1.98
Enterprise Oil	5.55	5.44	5.54	5.45
Fam Colonial	1.59	1.56	1.58	1.57
Genl Accident	6.84	6.78	6.81	6.81
GEC	3.99	3.95	3.97	3.96
GKN	11.50	11.28	11.49	11.22
Glaxo	10.66	9.95	10.11	10.02
Granada Gp	8.64	8.54	8.63	8.57
Grand Met	4.80	4.76	4.80	4.77
GRE	2.60	2.56	2.58	2.58
Guinness	4.82	4.58	4.63	4.58
GUS	6.46	6.35	6.40	6.41
Hanson	1.55	0.94	0.95	1.57
Hillsdown Hdg	1.83	1.78	1.79	1.80
HSBC Hldgs	11.99	11.91	11.98	12
ICI	8.60	8.28	8.57	8.45
Inchcape	2.80	2.68	2.71	2.72
Kingfisher	7	6.33	6.43	6.34
Ladbroke	2.10	2.08	2.10	2.10
Land Sec	7.07	6.96	7.05	6.97
Laporte	7.55	7.38	7.45	7.42
Lasmo	2.20	2.15	2.19	2.16
Legal Genl Grp	8.10	8.05	8.07	8.06
Lloyds Abbey	6.31	5.93	6.30	6.27
Lloyds TSB Gp	3.99	3.76	3.84	3.78
London Elec	6.22	6.15	6.19	6.14
LucasVarity	2.59	2.51	2.59	2.55
Marks Spencer	5.09	4.94	5.03	4.97
MEPC	4.40	4.37	4.40	4.39
Mercury Asset	10.24	10.15	10.15	10.22
Natl Power	4	3.92	3.99	3.94
NatWest	6.95	6.77	6.92	6.79
Utd Utilities	5.83	5.71	5.77	5.71
Nthern Foods	1.99	1.96	1.96	1.98
P&O	6.37	6.23	6.31	6.25
Pearson	6.90	6.78	6.84	6.81
Pilkington	1.90	1.86	1.88	1.90
PowerGen	4.88	4.83	4.86	4.85
Prudential	4.54	4.49	4.54	4.50
Rank Org	4.30	4.25	4.28	4.28
Reckitt Colm	7.18	7.08	7.11	7.16
Redland	4.60	4.50	4.60	4.56
Reed Intl	11.92	11.78	11.91	11.82
Rentokil	4.25	4.19	4.24	4.18
Reuters Hdgs	7.49	7.30	7.49	7.39
RMC Group	11.70	11.51	11.67	11.48
Rolls Royce	2.43	2.38	2.43	2.40
Royal Bk Scot	5.04	4.89	5.01	4.89
RTZ reg	9.89	9.73	9.79	9.79
Royal & Sun All	4.11	4.03	4.10	4.06
Safeway	3.35	3.27	3.34	3.29
Sainsbury	3.74	3.70	3.73	3.70
Schroders	13.89	13.75	13.84	13.83
Scot Newcastle	6.75	6.70	6.72	6.71
Scot Power	3.09	3.05	3.09	3.06
Sears	0.94	0.92	0.93	0.93
Severn Trent	5.97	5.85	5.93	5.90
Shell Trnp reg	9.97	9.86	9.86	9.75
Siebe	10.12	10.03	10.07	10.08
Smith Nephew	2.09	2.06	2.09	2.06
Smith (WH)	4.72	4.70	4.71	4.72
SmithKline	7.97	7.75	7.95	7.81
Smiths Ind	8.10	7.99	8.09	7.93
Sthern Elec	6.30	6.15	6.25	6.16
Stand Charter	7	6.94	6.96	6.97
Tate & Lyle	4.72	4.67	4.69	4.68
Tesco	3.07	3.04	3.06	3.04
Thames Water	5.52	5.36	5.50	5.39
3i Group	4.89	4.85	4.88	4.86
TI Group	5.95	5.79	5.94	5.83
Tomkins	2.82	2.75	2.80	2.77
Unilever	13.75	13.62	13.74	13.67
Utd Biscuits	2.02	1.98	1.98	1.99
Utd News	6.91	6.80	6.84	6.89
Vendome uts	5.96	5.90	5.90	5.88
Vodafone	2.23	2.18	2.22	2.22
Whitbread	7.02	6.97	7	6.99
Williams Hdgs	3.53	3.48	3.53	3.47
Wolseley	4.92	4.87	4.90	4.86
Zeneca	16.05	15.78	16.04	15.88

Madrid
Bolsa index: 370.10 Previous: 368.27

	High	Low	Close	Prev.
Acerinox	14900	14550	14900	14950
ACESA	1560	1525	1560	1535
Argentaria	5350	5260	5320	5320
BBV	5950	5900	5940	5920
Banesto	814	809	811	811
Bankinter	14890	14700	14820	14800
Bco Centro Hisp	2950	2910	2920	2905
Bco Exterior	2830	2830	2830	2825
Bco Popular	23750	23600	23670	23600
Bco Santander	6720	6670	6710	6680
CEPSA	3930	3900	3925	3930
Corp Mapfre	6390	6250	6300	6250
Dragados	1675	1655	1665	1655
Endesa	7590	7530	7550	7560
FECSA	964	956	958	962
Fomento Const	10200	10070	10150	10150
Gas Natural	22840	22500	22810	22680
Hidroel Cantab	3890	3875	3880	3890
Iberdrola	1260	1245	1260	1245
Pryca	3180	3085	3130	3135
Repsol	4320	4240	4315	4320
Sevillana Elec	1100	1090	1100	1095
Tabacalera	5530	5480	5520	5480
Telefonica	2420	2385	2405	2385
Union Fenosa	801	794	797	797
Valenc Cement	1480	1450	1450	1450

Manila
PSE index: 3189.98 Previous: 3149.78

	High	Low	Close	Prev.
Ayala A	21.75	21	21.50	21.75
Ayala Land	32	31.50	32	32
Manila Elec A	105	103	104	103
Metro Bank	630	615	625	625
Petron	9.80	9.50	9.70	9.50
Phil Long Dist	1635	1620	1635	1630
San Miguel A	40.50	39.50	40	39.50
San Miguel B	86.50	86	86.50	86
SM Prime Hdg	6	6	6	6.10

Mexico
Bolsa index: 3286.48 Previous: 3234.32

	High	Low	Close	Prev.
Alfa A	34.50	33.50	34.05	33.50
Cemex B	31.70	30.60	31.50	30.90
Cifra C	10.82	10.72	10.76	10.82
Empresas ICA	115.00	113.80	115.00	113.80
Emp Moderna	36.40	35.80	36.40	36.15
Femsa	23.50	23.00	23.50	23.00
Gpo Carso A1	36.00	34.90	36.00	34.60
Televisa CPO	110.40	109.00	110.00	108.00
TelMex L	12.16	12.04	12.16	12.08
Tribasa	21.70	20.70	21.70	20.80

Milan
MIB Telematico: 10074.00 Previous: 10176.00

	High	Low	Close	Prev.
Alleanza Assic	11380	11225	11340	11500
Bco Comm Ital	3020	2970	2985	3040
Bco Naz Agricol	698	675	677	695
Bco Naz Lavoro	11790	11650	11700	11800
Bca di Roma	1400	1366	1395	1420
Bco Ambrosiano	3420	3345	3405	3390
Benetton	17190	16850	16890	17150
Credito Italiano	1749	1725	1730	1749
ENI	7770	7660	7685	7785
Fiat	4250	4205	4220	4280
Fondiaria	6140	5970	6050	6180
Generali Assic	32300	32000	32200	32400
IFIL	4035	3985	4025	3995
Italcementi	9180	8920	9180	9090
Italgas	5705	5645	5705	5780
Mediobanca	8720	8570	8600	8800
Montedison	980	962	974	984
Olivetti	545	515	525	558
Pirelli	2765	2740	2755	2775
RAS	14895	14645	14735	15025
Rinascente	9250	9150	9200	9250
S Paolo Torino	10025	9950	9990	10035
Standa	13200	13200	13200	13250
Stet	5245	5175	5195	5285
Telecom Italia	3375	3305	3370	3385
Toro Assic	18100	17900	18100	18195

Montreal
Industrials index: 2448.20 Previous: 2442.82

	High	Low	Close	Prev.
Alca I	20.20	20.15	20.20	20.20
Bank Montreal	37.05	36.45	37.05	36.60
Bce Mob Com	44⅝	44½	44⅝	44⅝
Cdn Tire A	18.20	18	18.10	18.05
Cdn Util A	28.45	28.30	28.45	28.30
Cascades	6.10	6.05	6.10	6.10
CT Finl Svc	32	30.85	32	33
Extendicare	16	15.95	16	15.70
Gaz Metro	16.15	15.90	16.10	15.90
Gt-West Lifeco	38¾	38½	38¾	38¾
Hees Intl Bcp	16.60	16.45	16.45	16.40
Hudsons Bay	20.20	20.05	20.20	20.10
Imasco	30.18	30	30	29.90
Investors Grp	21.60	21.40	21.60	21.30
Loblaw Cos	11.40	11.35	11.40	11.45
Molson A	19.70	19.65	19.70	19.70
Natl Bk Canada	12⅛	12.15	12.15	12.20
Oshawa A	19.20	19.10	19.10	19
Pancdn Petlm	48.05	48.05	48.05	48.20
Power Corp	24.30	23.85	24.20	23.95
Power Finl	43	42.90	43	43
Quebecor B	20.40	20.35	20.40	20.30
Rogers Comm B	8⅝	8.20	8⅝	8.20
Royal Bk Can	39.70	39⅝	39.55	39⅝
Sears Canada	7.90	7.80	7.90	7.80
Shell Cda A	44	42	44	43⅝
Southam	17	16.95	17	16.95
Stelco A	6⅝	6.55	6.65	6.45
Trilon Finl A	5.80	5.70	5.80	5.80

Oslo
OBX index: 466.76 Previous: 462.14

	High	Low	Close	Prev.
Aker A	137	130	131.50	132.50
Bergesen Dy B	136	134	135	134.50
Christiania Bk	16.90	16.70	16.80	16.70
Den norske Bk	20.90	20.70	20.80	20.70
SAS Norge ASA	61.50	59	60	61
Dyno Indust	145	144	144	142
Elkem	90.50	89	90.50	88
Hafslund A	51.50	49	51.50	49
Kvaerner	248	246	247	246
Leif Hoegh	111	111	111	109
Norsk Hydro	311	306	309	304.50
Norske Skog A	189	186	188.50	185.50
Orkla	358	356	358	355
Rieber B	N.T.	N.T.	N.T.	147
Saga Petlm B	97	94	94	95.50
Schibsted	95	94	94	95
Storebr A	35.20	34.70	34.90	35.10

Paris
CAC-40: 2123.21 Previous: 2132.81

	High	Low	Close	Prev.
Accor	658	642	656	638
AGF	145	143.10	144.50	144.60
Air Liquide	804	783	785	808
Alcatel Alsth	438.80	433.10	436.80	435.50
Axa	310	307.10	308.80	309.40
Bancaire	538	529	530	539
BNP	196.80	195.60	196.50	195.60
Bouygues	461.40	457.50	460	459.40
Canal Plus	1270	1246	1249	1270
Carrefour	2900	2875	2881	2899
CCF	231.90	229.60	230	232
Credit Local cl	443	437	440.50	440
Credit Lyon PC	132.80	127.50	129	134
Crown Cork Seal	235	233.60	235	235
Danone	754	747	750	754
Elf-Aquitaine	403.50	400.30	401.80	403.90
Eridania BS	798	785	786	797
Euro Disney	11.05	10.90	10.95	10.90
Eurotunnel uts	Susp.	Susp.	Susp.	9.15
Gen. Eaux	564	555	555	561
Havas	342	340	340	342.20
Lafarge Cop	309	302.60	304	304.50
Legrand	883	871	875	878
L'Oreal	1757	1737	1744	1750
LVMH	1137	1121	1122	1121
Lyon. Eaux	464	451	452.50	462
Michelin B	264	260.30	260.30	263.50
Navig Mixte	713	712	713	725
Paribas A	334.70	330.10	331.50	332
Pechiney SA	220	217	228	219.50
Pernod Ricard	292	281.30	284.80	286
Peugeot Cit	573	562	566	569
Pinault-Print	1897	1860	1860	1900
Promodes	1390	1366	1386	1400
Renault	125	122.20	123	123.10
Rh-Poulenc A	144	141.50	142	144
Roussel-Uclaf	1245	1228	1230	1245
Sanofi	437.50	421	436	423.20
Schneider	245.80	242.80	243.50	243
Ste Generale	570	556	561	571
St Gobain	699	687	689	700
St Louis	1278	1235	1270	1248
Suez	206.80	203.70	205	205.90
Thomson CSF	153.90	152	152.50	153
Total B	405.90	401	404	406.50
UAP	105.80	104	105.70	104.30
Valeo	288.90	285	288.90	284.90

São Paulo
Bovespa index: 64718.40 Previous: 64468.70

	High	Low	Close	Prev.
Bco Brasil Pfd	9.60	9.50	9.60	9.60
Banespa Pfd	2.750	2.650	2.650	2.650
Bradesco Pfd	8.750	8.650	8.730	8.70
Brahma Pfd	636.00	635.00	635.00	635.010
Cemig Pfd	30.70	30.50	30.60	30.50
CESP Pfd	29.70	29.60	29.60	29.60
Eletrobras B	286.00	285.00	286.00	285.50
Itaubanco Pfd	426.00	425.00	426.00	423.50
Light	325.00	318.00	325.00	316.50
Paranapan Pfd	6.90	6.850	6.850	7.00
Petrobras Pfd	120.00	118.50	119.10	119.990
Sid Nacional	21.80	21.50	21.50	21.80
Souza Cruz	6.7300	6.6600	6.6600	6.8000
Telebras Pfd	81.00	80.050	80.750	80.30
Telesp Pfd	199.520	196.00	198.00	196.00
Usiminas Pfd	1.010	0.990	1.00	1.010
CVRD Pfd	20.3500	20.2500	20.3000	20.2500

Seoul
Composite index: 788.47 Previous: 789.67

	High	Low	Close	Prev.
Daewoo Heavy	6150	5830	5900	6200
Hyundai Eng	26100	25000	26100	25400
Hyundai Motor	30000	27400	27400	29000
Korea El Pwr	27900	26500	27900	27300
Korea Mob Tel	522000	505000	505000	522000
LG Electronics	14700	14300	14200	14400
Pohang Iron St	44500	43500	43800	45500
Samsung Elec	68600	65100	67000	64900
Samsung Hvy	9800	9410	9410	9800
Yukong	22200	21300	22200	21000

Singapore
Straits Times: 2171.69 Previous: 2177.16

	High	Low	Close	Prev.
Cerebos Pac	N.T.	N.T.	N.T.	11.90
City Devts	11.90	11.40	11.50	12
Cycle Carriage	15.40	15.20	15.30	15.30
Dairy Farm Intl*	0.61	0.59	0.60	0.61
DBS	9.10	9.10	9.10	9.15
DBS Land	4.64	4.58	4.60	4.66
Fraser & Neave	14.60	14.40	14.60	14.50
HK Land*	2.37	2.29	2.30	2.33
Hong Leong Fin	3.42	3.42	3.42	3.44
Jard Matheson*	6.20	5.90	5.90	6.25
Jard Strategic*	3.16	3.14	3.16	3.18
Keppel	10.80	10.50	10.50	10.90
Natsteel	2.50	2.47	2.49	2.49
Neptune Orient	1.23	1.21	1.23	1.23
OCBC foreign	16.90	16.60	16.80	16.90
OSea Union Bk	6.50	6.45	6.45	6.50
Sembawang	6.75	6.60	6.75	6.60
Sing Airlines F	14.30	14.10	14.20	14.20
Sing Petlm	1.80	1.80	1.80	1.80
Sing Press F	25.70	24.90	25.30	25.70
ST Auto F	2.91	2.91	2.91	2.90
ST Ship	2.02	2.01	2.01	2.03
Sing Telecomm	3.22	3.14	3.18	3.24
Straits Steam	4.56	4.54	4.54	4.60
Utd Industrial	1.25	1.23	1.25	1.24
Utd OSea Bk F	13.80	13.50	13.50	13.70
Wing Tai Hdgs	3.40	3.34	3.40	3.40

*: in U.S. dollars.

Stockholm
SX 16 index: 2207.94 Previous: 2176.01

	High	Low	Close	Prev.
AGA BF	109	108	108	108
ABB AF	714	700	714	702
AssiDoman F	161.50	159	161.50	160.50
Astra AF	287.50	280	286.50	280
Atlas Copco AF	138	136	136.50	136.50
Avesta F	71	69	69.50	69
Electrolux BF	386	373	386	372.50
Ericsson BF	170	167	170	167
Hennes BF	825	815	824	813
Incentive AF	389	382.50	388	387
Investor BF	256	253	256	252
Kinnevik BF	179	172	179	173
MoDo BF	187	184	186.50	183
Sandvik BF	158.50	156.50	157.50	157
SCA BF	140	136.50	139	136
S-E Banken AF	59	56.50	57	58
Skandia Fors F	184	180.50	181.50	183.50
Skanska BF	256	252	255	252
SKF BF	160.50	158	159.50	159.50
SSAB BF	105	102	103	102
Stora AF	87.50	86	86.50	86
Sv Handles AF	166	162	166	163
Sydkraft AF	152	150	150	150
Trelleborg BF	92.50	90.50	91.50	90.50
Volvo BF	145	143.50	145	142.50

Sydney
All Ordinaries: 2285.50 Previous: 2290.40

	High	Low	Close	Prev.
Amcor	7.69	7.59	7.69	7.62
ANZ Bkng	7.40	7.17	7.34	7.23
BHP	16.20	15.86	16.15	16.20
Boral	3.31	3.20	3.31	3.25
Brambles Ind.	20.65	20.30	20.50	20.50
Burns Philp	1.80	1.77	1.80	1.80
CBA	11.70	11.55	11.66	11.63
CC Amatil	16.70	16.55	16.66	16.60
Coles Myer	4.58	4.54	4.57	4.59
Comalco	7.10	6.96	7.03	7.05
CRA Ltd	19	18.80	19	19
CSR	4.42	4.39	4.42	4.43
Fosters Brew	2.29	2.26	2.27	2.27
GIO Australia	3.19	3.15	3.16	3.17
Goodman Fld	1.30	1.28	1.30	1.29
ICI Australia	12.50	12.01	12.50	12.25
John Fairfax	2.69	2.66	2.66	2.69
Lend Lease	20.25	19.90	20.14	20.50
Mayne Nickless	8.74	8.54	8.71	8.55
MIM Hdgs	1.52	1.49	1.52	1.54
Nat Aust Bank	13.46	13.15	13.38	13.30
News Corp	6.65	6.58	6.64	6.63
North Ltd	3.50	3.47	3.50	3.52
Pacific Dunlop	2.62	2.59	2.61	2.62
Pioneer Intl	3.50	3.44	3.50	3.45
Placer Pacific	1.58	1.55	1.56	1.60
Santos	5.39	5.31	5.32	5.37
Southcorp	3.58	3.53	3.55	3.59
Westfarmers	7.99	7.90	7.94	7.93
Wstrn Mining	8.07	7.88	7.91	8.13
Westfield Trt	2.36	2.33	2.36	2.35
Westpac Bkng	6.64	6.49	6.62	6.54
Woodside Pet	8.38	8	8.06	8.38
Woolworths	2.87	2.82	2.85	2.82

Taipei
Stock Market index: 6513.73 Previous: 6504.68

	High	Low	Close	Prev.
Asia Cement	52	51	51	51.50
Cathay Life Ins	177	176	176	176
Chang Hwa Bk	161	159	159	160
China Steel	25.80	25.40	25.50	25.60
China Trust	51.50	51	51	51
Evergreen	49.50	48.80	48.90	49.20
Far East Text	30.30	30	30	30.10
First Bank	170	168	169	169
Formosa CF	33.50	33.10	33.10	33.10
Hua Nan Bk	135.50	134	134	134.50
Hualon Teijran	26.20	25.90	25.90	25.90
ICBC	85.50	84.50	85	84.50
President Ent	41.60	41.30	41.30	41.40
Taiwan Cemt	56	55	55.50	55.50
Tatung	53.50	53	53	53

Tokyo
Nikkei 225: 21462.97 Previous: 21556.40

	High	Low	Close	Prev.
Ajinomoto	1240	1230	1240	1240
All Nippon Air	1090	1060	1090	1070
Asahi Bank	1270	1260	1260	1270
Asahi Chem	739	725	727	725
Asahi Glass	1230	1220	1220	1230
Bk Tokyo Mitsu	2420	2400	2420	2430
Bk Yokohama	875	855	865	875
Bridgestone	2000	1980	1990	2010
Canon	2210	2170	2200	2190
Chiba Bank	919	890	890	920
Chubu Elec	2400	2370	2390	2360
Chugoku Elec	2340	2330	2330	2350
Daiei	1070	1050	1070	1060
Dai-Ichi Kang	1900	1870	1890	1880
Daiwa Bank	718	703	703	710
Daiwa House	1600	1570	1580	1600
Daiwa Sec	1290	1260	1270	1280
Denso	2530	2490	2490	2490
Fanuc	4060	4000	4030	4100
Fuji Bank	2180	2160	2170	2180
Fuji Photo	3410	3380	3390	3390
Fujitsu	1070	1050	1060	1060
Hitachi	1080	1060	1080	1080
Honda Motor	2830	2780	2820	2800
IBJ	2520	2480	2500	2490
IHI	542	536	539	539
Itochu	708	701	703	707
Ito-Yokado	6310	6250	6300	6330
JAL	798	779	795	779
Jusco	3450	3360	3450	3390
Kajima	1050	1020	1030	1030
Kansai Elec	2440	2400	2440	2400
Kao	1400	1380	1400	1390
Kawa Steel	374	369	374	374
KDD	11200	10800	11000	10600
Kinki Nipp Ry	775	768	772	773
Kirin Brewery	1240	1230	1230	1240
Kobe Steel	295	290	294	299
Komatsu	967	950	963	966
Kubota	674	658	670	658
Kyocera	8000	7910	7950	7950
Kyushu Elec	2390	2370	2380	2380
LTCB	809	795	795	803
Marubeni	578	571	578	580
Marui	2170	2140	2150	2150
Matsu Elec Ind	1870	1860	1870	1870
Matsu Elec Wk	1120	1100	1100	1100
Mitsubishi	1400	1370	1370	1420
Mitsubishi Ch	478	469	477	470
Mitsubishi El	750	742	750	760
Mitsubishi Est	1530	1510	1520	1530
Mitsubishi Hvy	913	902	913	907
Mitsubishi Mat	943	932	937	941
Mitsubishi Tr	1710	1690	1700	1710
Mitsui	972	961	962	969
Mitsui Fudosn	1500	1470	1470	1480
Mitsui Trust	1180	1160	1170	1180
Murata Mfg	3990	3940	3950	3980
NEC	1310	1290	1300	1310
Nikko Sec	1190	1180	1190	1190
Nintendo	7290	7200	7250	7200
Nipp Credit Bk	370	368	368	372
Nipp Express	1010	1000	1010	1020
Nippon Oil	678	667	670	681
Nippon Paper	661	652	661	662
Nippon Steel	347	344	345	346
Nippon Yusen	592	581	588	580
Nissan Motor	906	895	906	899
NKK	290	286	288	286
Nomura Sec	2040	2020	2030	2050
NTT	8200a	8050a	8090a	8200a
Obayashi	935	918	918	914
Odakyu El Ry	721	715	719	719
Ono Pharm	3600	3500	3530	3630
Osaka Gas	377	371	371	378
Ricoh	1160	1140	1150	1140
Sakura Bk	1120	1100	1110	1110
Sankyo	2840	2820	2830	2850
Sanwa Bank	2010	2000	2010	2010
Sanyo Elec	600	595	596	599
Secom	7040	7000	7010	7050
Seibu Rwy	5980	5900	5980	5950
Sekisui House	1230	1210	1220	1220
Seven-Eleven	7000	6800	6970	7000
Sharp	1850	1830	1830	1850
Shimizu	1130	1090	1110	1100
Shin-etsu Ch	2000	1990	2000	2000
Shizuoka Bk	1330	1310	1310	1320
Sony	7050	7010	7050	7030
Sumitomo	976	955	955	977
Sumitomo Bk	2060	2040	2050	2060
Sumit Chem	511	507	511	516
Sumitomo Elec	1540	1510	1530	1530
Sumit Metal	312	307	311	314
Sumit Trust	1380	1370	1380	1400
Taisei	731	714	719	723
Taisho Pharm	2390	2350	2380	2360
Takeda Chem	2050	2030	2030	2040
TDK	6930	6830	6840	6930
Tohoku El Pwr	2430	2400	2430	2420
Tokai Bank	1380	1370	1380	1380
Tokio Marine	1330	1310	1320	1320
Tokyo El Pwr	2700	2680	2700	2700
Tokyo Gas	382	377	381	381
Tokyu	783	773	774	784
Tonen	1580	1550	1550	1540
Toppan Print	1570	1540	1550	1570
Toray Ind	714	701	714	706
Toshiba	768	758	766	771
Toyo Seikan	3690	3650	3690	3650
Toyo Trust	1020	1010	1020	1020
Toyota Motor	2890	2830	2870	2850
Yamaichi Sec	690	676	685	685
Yamanouchi	2360	2340	2350	2360
Yasuda Fire	773	765	765	772
Yasuda Trust	599	587	587	602

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Toronto
TSE Industrials: 5319.84 Previous: 5291.07

	High	Low	Close	Prev.
Abitibi Price	17¾	17.55	17.70	17½
Air Canada	4.95	4.93	4.95	4.94
Alberta Energy	27.90	27.10	27¾	27.10
Alcan Alum	41.30	40¾	41.05	40.70
Avenor A	22	21.85	21.95	21¾
Bk Nova Scotia	38.95	38.55	38.85	38.60
Barrick Gold	35.30	34.15	35.20	34.05
BCE	58.40	58.15	58.35	58¼
BC Telecomm	27.30	27¼	27¼	27¼
Bombardier B	20	19.40	20	19.40
Brascan A	25.45	25.30	25.35	25.40
Cameco	67.15	66¼	67	67.05
CIBC	49.95	49⅛	49.95	49.40
Cdn Airlines	2	1.97	2	1.96
Cdn Nat Res	31.70	30½	31.65	30.60
Cdn Occid Pet	22.20	21.95	22.15	21.95
Cdn Pacific	31.55	31.20	31.20	31.60
Cominco	28¼	28	28.20	28
Consumers Gas	21.30	21.10	21.30	21.40
Dofasco	21¼	20.80	21.15	20.95
Donohue Ind B	8.80	8¼	8.80	8.80
Du Pont Cda A	32	31.20	31¾	31
Echo Bay Min	12.20	12	12.05	11.95
Empire Co. A	13.20	13.20	13.20	13.20
Falconbridge	27.85	27.35	27.85	27.35
Fletcher Chall A	18.40	18¼	18.40	18.40
Franco Nevada	52.55	51	52	51.05
Guardian Cap A	9.90	9.90	9.90	10
Horsham	22.15	22	22	22
Imperial Oil	57.90	57¼	57.55	57.70
Inco	42	41.80	41.85	41.80
IPL Energy	37.10	36.90	37.05	36.90
Laidlaw A	15.10	14.90	15	14.90
Laidlaw B	15.05	14⅞	14.85	14.95
Loewen Group	57¼	56½	57.45	57
Ldn Insur Gp	31.65	31.55	31.55	31.60
Macmill Bldl	18.65	18.35	18.55	18.45
Magna Intl A	66.60	65.60	66.60	65.60
Maple Leaf Fds	9.40	9¼	9.40	9¼
Moore	25.45	25.20	25.35	25.20
Newbridge Net	43.80	42.30	43½	43¼
Noranda Inc	27.85	27.70	27¾	27.85
Noranda Forest	8.70	8.60	8.70	8.55
Norcen Energy	27¼	27.45	27½	27¼
Nthern Telecom	78.55	77	77.40	78½
Nova	11.95	11.85	11.90	11.95
Onex	14⅛	14⅛	14.70	14.15
Placer Dome	32.60	32.30	32.55	32.20
Potash Sask	101	99½	100.45	99.40
Provigo	6.35	6⅛	6.30	6⅛
Quebecor Print	22¼	22¼	22¼	22.45
Renaissance	40.35	39¼	40.15	39.95
Rio Algom	26¼	25.80	26	26.15
Seagram Co	51.10	50.30	50.95	50.90
Stone Consold	15¼	15.15	15¼	15.20
Talisman Eny	38.10	37.20	38	37.30
Teleglobe	24.15	24	24.15	24.10
Telus	18.85	18.70	18¾	18.65
Thomson	24¾	24.40	24.65	24½
TorDom Bank	27.85	27.65	27.85	27.65
Transalta	16	15.90	16	15.90
TransCda Pipe	22	21.80	21.95	21.85
Utd Dominion	27.20	27	27.15	27.05
Westburn	10.10	10	10	10
Westcoast Eny	22.10	21.70	21.80	21.90
Weston	54¼	54	54.65	54

Vienna
ATX Index: 1053.53 Previous: 1054.19

	High	Low	Close	Prev.
Aust Airlines	1449	1449	1449	1450
Brau-Un Goess	647.90	638	646	641
Bund Vers Pfd	405	405	405	407
Creditanst Pfd	489	480	487.90	477
EA-Generali	3185	3045	3045	3070.75
EVN	1402	1387	1387	1399
Interunfall	1500	1500	1500	1501
Lenzing	690	675.50	690	680
Leykam	296	286	291.50	299
Mayr-Meinhof	540	527	539.95	535
OMV	1090	1076	1078	1079.90
Oest Brau	694	677	694	680
Oest Elektriz	740.50	733	738.05	742.10
VA Tech	1405	1392	1394	1399.75
Wienerberger	1981.70	1966	1970	1966

Wellington
NZSE-40 Index: 2212.56 Previous: 2198.26

	High	Low	Close	Prev.
Air N Zeald B	3.02	2.98	3.02	3.01
Brierly Invt	1.40	1.38	1.39	1.38
Carter Holt ord	3.25	3.15	3.24	3.15
Fernz	4.32	4.30	4.32	4.28
Fisher Paykel	4.90	4.86	4.90	4.90
FC Forest	2.11	2.09	2.11	2.09
Goodman Fder	1.46	1.46	1.46	1.50
Index News	5.75	5.64	5.75	5.64
Lion Nathan	3.63	3.57	3.58	3.56
Nat Gas note	2.05	2.04	2.04	2.05
NZ Refining	26.60	26.60	26.60	26.60
Telecom NZ	6.87	6.72	6.85	6.72
Wilson Horton	10.59	10.56	10.58	10.57

Zurich
SPI index: 2394.76 Previous: 2393.95

	High	Low	Close	Prev.
Adecco B	344	341	342	345
Alusuisse R	943	936	937	941
Ares-Serono B	1250	1245	1250	1240
Baloise Hdg R	2665	2615	2640	2625
ABB B	1546	1532	1546	1534
BK Vision	743	737	740	740
Bobst B	1645	1620	1620	1630
Ciba Geigy R	1612	1599	1610	1604
CS Holdings R	124	123.50	124	124
Elektrowatt B	492	484	486	493
Fischer B	1245	1224	1230	1236
Hilti PC	860	855	860	875
Holderbank B	910	901	906	910
Jul. Baer Hdg B	1304	1299	1299	1307
Nestle R	1397	1388	1390	1396
Oerlikon R	126.75	126	126.75	126.25
Pargesa Hld B	1425	1395	1400	1395
PharmVisn B	556	550	554	557
Pirelli B	164	162	162	161
Roche Hdg PC	9315	9235	9250	9225
Sandoz R	1517	1501	1515	1501
SBC R	242.75	239	242	239.25
Schindler B	1240	1225	1235	1225
SGS B	2860	2835	2835	2835
SMH B	847	845	846	850
Sulzer R	749	738	741	731
Swiss Reins R	1325	1318	1320	1320
Swissair R	1052	1031	1047	1030
UBS B	1212	1202	1202	1202
Valora Hdg R	219	214.50	216.50	219
Winterthur R	770	759	763	770
Zurich Assur R	349	343	343	340

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	141.17	+0.70	+0.50	+7.05
Regional Indexes				
Asia/Pacific	130.55	-0.10	-0.08	-2.76
Europe	148.70	+0.41	+0.28	+6.84
N. America	146.38	+0.80	+0.55	+14.11
S. America	111.51	+1.06	+0.96	+25.24
Industrial Indexes				
Capital goods	153.87	-0.10	-0.06	+15.80
Consumer goods	150.50	+0.64	+0.43	+9.00
Energy	151.17	+1.40	+0.93	+11.47
Finance	121.21	+0.01	+0.01	-4.73
Miscellaneous	145.52	+0.84	+0.58	+7.15
Raw Materials	166.88	+0.63	+0.38	+17.69
Service	128.88	+1.32	+1.03	+7.40
Utilities	130.53	+0.13	+0.10	+2.67

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg Business News.*

NYSE

Tuesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 16

صكذا من الاصل

ASIA/PACIFIC

Hong Kong's Red-Chips: A Guessing Game

Bloomberg Business News

HONG KONG — When it comes to picking stocks of Chinese investment companies in Hong Kong, investors ought to stop number crunching and start networking.

That is because much of the first-half profit growth of so-called "red chips," such as CITIC Pacific Ltd. and China Resources Enterprises Ltd., was engineered through an opaque process of acquisitions and restructurings resulting in one-time gains. Meanwhile, earnings from many ongoing operations fell.

That makes some fund managers reluctant to buy red-chips, or Hong Kong-based companies controlled by Chinese government agencies. They say red-chips, the best-performing group on the Hong Kong stock market this year, may be flying too high in the months before Hong Kong reverts to mainland rule.

"It's difficult to invest in these companies on the basis of fundamentals," said Andy Mantel, a fund manager with the Hong Kong-listed company China Growth Investment Ltd. "They appear overpriced, but they just keep going up." The Bloomberg Red Chip index, which tracks 39 stocks, is up 35 percent this year, twice the rise of the benchmark Hang Seng index.

The rise has been fueled by optimism that powerful state-owned parent companies will continue their pattern of selling billions of dollars of mature assets to their Hong Kong units at bargain-basement prices.

INTERNATIONAL STOCKS

Take China Merchants Haihong Holdings Ltd., the investment arm of China's Transport Ministry. Operating profit fell by one-third in the first half of 1996 as its glass and paint factories struggled. Yet net profit rose 105 percent because of a 58.86 million Hong-Kong dollar ($7.6 million) one-time gain from the sale of shares it had bought from its parent in a shipping subsidiary in Singapore.

The red-chip index is now trading at 23 times last year's average earnings per share, compared with a price-to-earnings ratio of 15 for the benchmark Hang Seng index.

"A lot comes down to feel and guesswork," said Chung Man Wing, associate director at HSBC Asset Management H.K. Ltd. It is easy, he says, "to drive prices up so out of step with fundamental value that you have a problem."

Finding out when such spin-offs or acquisitions will occur is the tough part for investors.

"The only thing to do is to get to know the company better," Mr. Chung said. "Talk to the managers more often."

Cosco Pacific Ltd., a subsidiary of China's largest shipper, reported a 9 percent fall in per-share earnings because of a rights issue last year, even as net profit rose 47 percent. Then the company sold 1.55 billion dollars worth of additional shares, further diluting stockholders' profits.

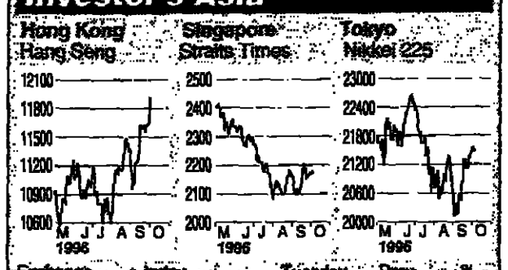
The per-share earnings of the top 10 red-chip companies are likely to rise only 12 percent in the full year, compared with a 67 percent rise in net profit, said Tina So at Schroder Investment Management (HK) Ltd.

But while red-chip prices may have run ahead of earnings growth, most investors are bullish on long-term prospects for the issues, especially when compared with so-called H-share companies, the Chinese-run industrial companies listed in Hong Kong.

Managers of H-share companies, often more than 1,000 miles from Hong Kong, have not been good at talking to investors. Their red-chip counterparts are closer, and often have an overseas education or years of experience in Hong Kong to bridge cultural gaps.

Red-chips are likely to gain in influence after the handover of Hong Kong to China on July 1. Their contacts still will not hold much sway in the colony, but their ability to win deals in China will make them courted allies. "All of the red-chips are at least fully valued," said Haddon Zia, China fund manager at Prudential Portfolio Managers (Asia). "But you would be silly to sell."

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,921.20	11,902.80	+0.16
Singapore	Straits Times	2,171.69	2,177.16	-0.25
Sydney	All Ordinaries	2,285.50	2,290.48	-0.21
Tokyo	Nikkei 225	21,452.97	21,556.40	-0.48
Kuala Lumpur	Composite	1,134.96	1,135.27	-0.03
Bangkok	SET	1,065.64	1,079.01	-1.22
Seoul	Composite Index	789.47	789.07	+0.05
Taipei	Stock Market Index	6,513.73	6,504.89	+0.14
Manila	PSE	3,189.98	3,169.78	+0.64
Jakarta	Composite Index	580.21	573.94	+1.09
Wellington	NZSE-40	2,212.56	2,190.26	+1.02
Bombay	Sensitive Index	3,226.80	3,239.48	-0.39

Source: Telekurs — International Herald Tribune

China's Wealthy Begin Reversing the Outward Flow of Art

Reuters

SHANGHAI — Smuggled or sold, looted or carried off to safety, the majority of major works of Chinese art are now anywhere but on the Chinese mainland where they were created.

But there are signs the tide is beginning to turn, art specialists say.

"The reversal of the trend has already begun," said Lillian Chin, representative for the auctioneer Christie's in Shanghai. "I believe that, in a few years, we will have a huge market here."

Chinese auction houses have been in operation since 1994 and Sotheby's and Christie's have opened offices in Shanghai and Beijing, even though they are forbidden from doing business.

China's economic reforms of the past decade have created a class of wealthy business people who are increasingly making their presence felt at art and antique auctions within China and even abroad.

For now, local buyers are not only outspent by counterparts from Taiwan and Hong Kong, they are also constrained by more complex rules on importing antiques and currency controls, said Mike Bruhn, the Shanghai representative of Sotheby's.

"I think there's seriously a lot of people here who would like to buy Chinese art overseas and bring it back, but it needs a change on the institutional level," he said.

China's museums have built up substantial collections in the past half century with items newly excavated, or confiscated from rich families during the extremist early years of Communist rule in the 1950s and 1960s.

But there is no way of knowing how much of China's artistic heritage remains still in private hands, hidden in boxes and back rooms in houses across China.

Exporting such items are subject to strict regulations, but they are not always enforced.

At local auctions, items dating from the 17th century or earlier are marked with an asterisk, indicating that they cannot be exported. But many of them are.

"There was an auction last year at which a buyer bought a restricted piece at 10 o'clock in the morning, and by 4 P.M. that afternoon, it was in Hong Kong," a specialist said.

Very briefly:

- **Foreign automakers** increased their share of South Korea's auto market to 1.6 percent in the first seven months of the year from 1.2 percent a year earlier.
- **Delifrance Asia Pte.**, a French cafe-bakery chain, has received approval for a listing on the main board of the Stock Exchange of Singapore.
- **Airbus Industrie** confirmed that **Singapore Aircraft Leasing Enterprise** had signed a contract to buy up to 24 new generation single-aisle aircraft.
- **Leighton Asia Ltd.**, a Hong Kong-based subsidiary of Australian construction and engineering company **Leighton Holdings Ltd.**, expects sales and profits to rise by 30 percent to 40 percent in the year to June 30.
- **Deutsche Morgan Grenfell** has appointed Alex Yeung as managing director of Deutsche Morgan Grenfell Securities Hong Kong.
- **Fiat SpA** signed a joint venture with two Chinese companies, **Yuejin Motor Group** and **Hangzhou Advanced Gearbox Corp.**, to produce gearboxes for Iveco trucks being produced by the Italian automaker in China.
- **Thailand inflation** in September rose 4.6 percent from a year ago, a smaller rise than expected. *Bloomberg, AFP, Reuters*

Coles Myer Toy Chain to Go as Profits Dip

Compiled by Our Staff From Dispatches

SYDNEY — After a stormy year, Coles Myer Ltd., Australia's largest retailer, said Tuesday that its annual net profit plunged.

Coles Myer blamed poor results from its Kmart discount chain and its department stores for a 34 percent slump in net profit to 280.4 million Australian dollars ($222.2 million) in the year ended July 28.

The result, struck on an 8 percent increase in sales, to 18.18 billion dollars, was hampered by an abnormal loss of 31.5 million dollars. This loss related to the troubled World 4 Kids toy store-chain, which included write-offs of assets, stock, lease payments and layoffs.

Coles Myer said it would close down World 4 Kids and absorb the business gradually into its Kmart division. The 23 stores are to be reduced to between 8 and 12 stores by end of 1997.

Losses for the toy chain increased to 35.8 million dollars from 33 million dollars in the year ending July 28.

"It's a pretty poor result, but the share price wasn't marked down so much because it has been flagged for some time," a Nomura Research analyst, Eric Betts, said, after Coles Myer shares closed two cents down at 4.57 Australian dollars.

Once a blue-chip favorite, Coles Myer has suffered a string of recent management woes, including a bitter boardroom feud which led a major shareholder, Solomon Lew, to resign as executive chairman last year amid a controversy over corporate governance.

(AFP, Bloomberg, Reuters)

Vietnam's Central Bank Trims Interest Rates to Spur Growth

Reuters

HANOI — Vietnam's central bank on Tuesday lowered interest rates for the fourth time this year in a bid to keep economic growth on a fast track.

The State Bank of Vietnam said the interest rate ceiling on short-term local loans was cut to 1.25 percent per month from 1.50 percent. The limit on such loans began the year at 2.1 percent. The ceiling on medium- and long-term loans was also cut, to 1.35 percent from 1.55 percent.

The bank said rates were cut because the persistent decline in consumer prices had left real interest rates too high. The annual rate of inflation dropped to 2.9 percent in September, its lowest level since the Vietnam launched economic reforms in the late 1980s. The bank added that the rate cut could help the economy recover from severe late-summer floods.

Ansett Sees Profit Ahead

Bloomberg Business News

SYDNEY — Ansett Australia said Tuesday that it should return to profitability this year, helped by Air New Zealand Ltd.'s purchase of a 50 percent stake in the Australian carrier.

"The fact that Air New Zealand has joined us has just improved the opportunity for profits," said Ken Cowley, chairman of Ansett Australia. Air New Zealand completed the 325 million Australian dollar ($257.5 million) purchase of its stake from TNT Ltd. on Tuesday. News Corp. owns the other half of the airline.

Jim McCrea, chief executive of Air New Zealand, said Ansett's return to profitability would result from improving efficiencies and cutting costs in its domestic operations. Air New Zealand is 19 percent-owned by Australia's largest airline, Qantas Airways Ltd.

MARVEL: Can Reborn Superheroes Save It?

Continued from Page 11

ster destroyed the world fans had known for decades. By September the only heroes to survive appeared to be the X-Men.

Now fans are learning that Captain America, the Avengers, the Fantastic Four and Iron Man survived in a parallel universe. The new incarnations are being produced in the studios of Mr. Lee and Rob Liefeld, two image artists who left Marvel in 1992.

Mr. Lee is drawing the new Iron Man and Fantastic Four; Liefeld draws Captain America and his Avengers.

The new Avengers made their debut recently among signs that the four No. 1 issues — which are collectors' items — are being ordered in quantities that approach the company's 1992 peaks of nearly 500,000. Net sales, after returns, will be less but could still be 200,000 to 300,000, the level of the company's top titles in its heyday.

The debt from Mr. Perelman's $82.2 million buyout through his McAndrews & Forbes Holdings Inc. was lowered to $19 million after the company went public in 1991.

Since then "they have made a series of acquisitions which have propped up the debt line," said Jill Krutick of Smith Barney Inc. Marvel bought the Fleer trading-card company in 1992 and the next year bought into the toymaker Toy Biz.

In 1994, it bought the sticker company Panini. Last year saw the acquisition of Hero's World, a comic-book distributor, and another card company, Skybox International.

"Perelman bought Marvel Comics. Marvel Entertainment Group is what went public. That subtle change in name is a description of what they've done with the company," Mr. Paris said.

As evidence he pointed out that while revenue from the company's comic books had increased from the level of the late 1980s, the portion of the company's total sales attributable to comic books fell to 17 percent in 1995, from 88 percent in 1989.

Plans for new projects include five theme restaurants, called Marvel Mania, which would be run in partnership with Planet Hollywood. The company may also make movies in a venture with Toy Biz called Marvel Studios.

Marvel suffered a setback in 1993 when speculators pulled out of the comic market. Then baseball and hockey strikes caused sales of trading cards to drop. That was a major reason the company took charges and set aside reserves of $110 million in 1995.

Marvel has long-term debt of $623 million as of June 30, up from $581 million at the end of 1995.

The stock price is dragging. Marvel shares were unchanged, at $8.25 a share in late trading Tuesday, close to their 12-month low of $7.75. The stock has declined steadily since its high of $34.25 reached in late 1993.

LABOR: Unions in Germany Losing Iron Grip

Continued from Page 11

Tuesday, that allows companies to reduce statutory minimum sick pay entitlements to 80 percent. It was only meant initially to apply to a narrow sector of the economy, but German companies have defied threats of strikes and lawsuits and jumped on the chance to cut their labor costs by cutting their sick pay.

The German labor market is now likely to be littered with a potpourri of incongruous benefits, striking a blow to the unions' main justification for nationwide pay contracts. Because they promise social equality, such universal pay contracts have been a pillar of German economics since World War II.

If IG Metall, Europe's biggest union, could have its way, each of its 3 million members would receive 100 percent sick pay for six weeks each year. But after the dust settles in the courts and on the picket lines, some German workers will have 100 percent sick pay; others will have 80 percent sick pay and a third group will end up losing a day of vacation time for every five sick days.

To many economists and labor observers, the evidence shows that the unions' lock on universal bargaining contracts has already been broken.

"In retrospect, this might be seen as a short-term backlash or a hiccup, but in the end, the competitive pressures are too large at this stage and there are clear signs that the wage cartel is disintegrating," said Joachim Fels, an economist who follows Germany for Morgan Stanley & Co. "This is the normal reaction by workers and unions to the restructuring going on right now in Germany." The sick pay dispute adds to a growing trend in which a union's leadership has failed to dictate the conditions for rank-and-file workers across the nation.

In August, a court ruled against IG Metall when the union tried to block family-owned Viessmann Werke GmbH from asking its 3,700 employees to work three additional hours a week without more pay. Even though the in-house agreement, which the workers accepted, was meant to preserve jobs at the heating equipment plant, IG Metall filed a lawsuit to have it rescinded because it contradicted the terms of the universal contract.

In Eastern Germany, nearly half of the metalworking and electronics companies are estimated to pay below scale already. In the East German construction industry in August, the employers canceled their contract only five months after it was negotiated. Despite seven months of talks, it has been impossible to achieve a nationwide contract in the retail sector, where not even half of the regional bargaining districts have arrived at a contract.

"In the end, there is no doubt there will be significant labor cost reductions in Germany," Mr. Fels said. "These are just the first steps and there will be more to come."

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(Continued)

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WORLD ROUNDUP

Reinhard Krause/Reuters

Steffi Graf hitting a return to Kimberly Po on Tuesday en route to a dominating victory.

Graf Wins Easily

TENNIS Steffi Graf needed just 40 minutes to rout Kimberly Po of the United States, 6-0, 6-1, Tuesday in the second round of the Leipzig Open, her first match in Germany since her father went on trial for tax evasion.

At the news conference after the match, the world No. 1 refused to comment on her father's trial, saying only, "Sometimes I do find it hard to concentrate, but somehow I always manage."

Graf's compatriot, fourth-seeded Anke Huber, beat Ruxandra Dragomir of Romania, 6-1, 6-2, in their second-round match, while Silvia Frania of Italy downed Karin Kschwendt of Austria, 7-5, 6-2. Graf and Huber had first-round byes. *(AP)*

Ferreira Loses in Lyon

TENNIS The defending champion, Wayne Ferreira, bowed out of the Lyon Grand Prix in his first match Tuesday as Younes El Aynaoui of Morocco beat him, 5-7, 6-4, 6-4. Last year, Ferreira beat Pete Sampras in the final.

Second-seeded Yevgeni Kafelnikov struggled but advanced to the second round with a 7-6 (7-2), 6-7 (5-7), 6-4 victory over Daniel Vacek of the Czech Republic.

Fourth-seeded Marcelo Rios of Brazil also had to go to three sets to down Alex Radulescu of Germany, 4-6, 6-4, 7-6 (7-5). Another Czech, Petr Korda, beat Marc Rosset of Switzerland, 4-6, 7-6 (7-3), 6-3. Rosset had won the tournament twice. *(AP)*

Scott Returns to Lakers

BASKETBALL Byron Scott, a free-agent guard who spent the first 10 years of his NBA career with the Los Angeles Lakers, signed a contract with the team Monday. Terms were not announced.

Scott, 35, averaged 10.2 points, 2.4 rebounds and 23.7 minutes in 80 games for the Vancouver Grizzlies last season. He was originally a first-round draft choice of the San Diego Clippers in 1983, but they traded him to the Lakers before he ever played a game with them. Scott has a career scoring average of 14.7 points in 994 games. *(AP)*

Bonilla's Grand Slam Propels Orioles, 10-4

Umpires Scratch Planned Strike Pending Alomar Hearing Thursday

Compiled by Our Staff From Dispatches

BALTIMORE — After the umpires showed up late, the Baltimore Orioles struck early and never let up.

Brady Anderson opened Baltimore's first playoff appearance in 13 years with a leadoff homer, B.J. Surhoff homered twice and Bobby Bonilla added a grand slam as the Orioles beat the Cleveland Indians, 10-4, Tuesday in the opener of their first-round AL playoff series.

AMERICAN LEAGUE PLAYOFFS

Game 2 of the best-of-5 series is to be played Wednesday afternoon in Baltimore.

The Orioles, who set a major-league record with 257 home runs during the regular season, built a 4-1 lead in the opening three innings against the defending AL champions. After Cleveland got within a run, Bonilla capped a five-run sixth with his first playoff homer in 14 games.

Manny Ramirez homered for the Indians, who led the majors with 99 victories this season — including seven in 12 games against Baltimore, the wild-card team.

Major League Baseball and its umpires reached an agreement minutes before the game began, averting a threatened walkout over the behavior of the Orioles' second baseman, Roberto Alomar.

Baseball representatives agreed in a closed federal-court session in Philadelphia to expedite a hearing on Alomar's appeal of a five-game suspension for spitting at umpire John Hirschbeck, who ejected Alomar from a game last Friday.

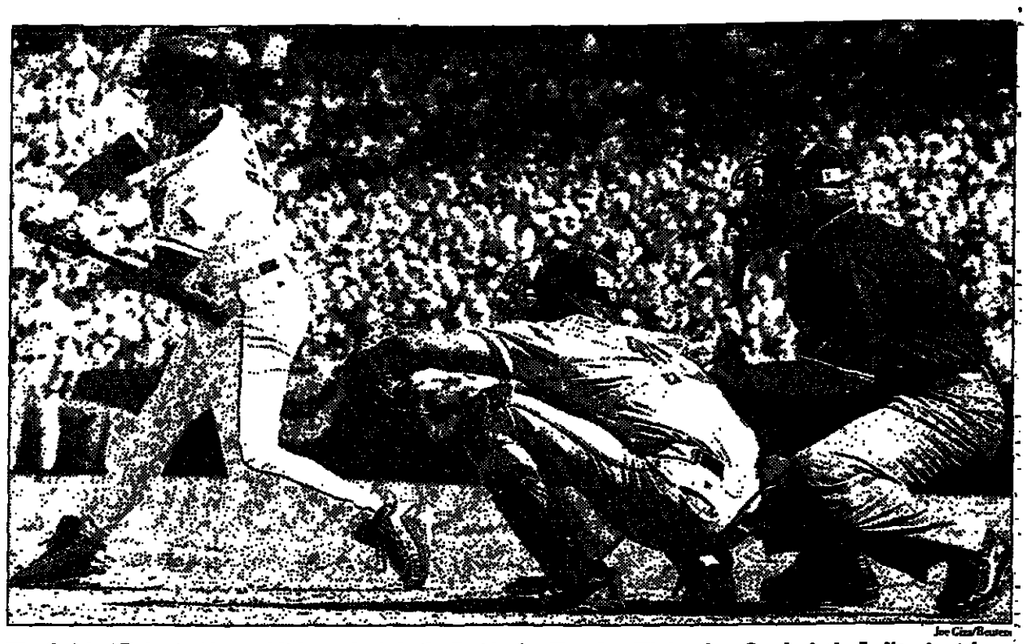
Umpires in turn agreed to call off their walkout and work through Thursday, the day of the expedited hearing before the American League's president, Gene Budig.

The game started with regular umpires 14 minutes after its scheduled time of 1:05 P.M. Replacement umpires had been waiting in the wings to officiate if needed.

"I see this as a significant victory for the umpires," said Richard Phillips, attorney for the Major League Umpires Association. Baseball "representatives have conceded that they will conduct a hearing and render a decision on Thursday."

Alomar was cheered by the majority of the 47,644 fans at Camden Yards, but there was also a smattering of boos. He singled in his first at-bat and finished 1-for-4 with a sacrifice fly.

Leading 4-3, the Orioles used two walks and a single by Anderson to load the bases with one out in the sixth. Alan Embree replaced starter Charles Nagy and gave up a sacrifice fly to Alomar before reloading the bases by hitting Rafael Palmeiro.



Joe Giza/Reuters

The Orioles' Roberto Alomar hitting a single in the first inning Tuesday. His brother, Sandy, is the Indians' catcher.

Paul Shuey came in, and Bonilla sent a 3-2 pitch deep into the right-field seats to give Baltimore a 9-3 lead. Nagy yielded nine hits and a season-high seven earned runs.

Baltimore's starter, David Wells, who beat the Indians twice during the regular season, allowed four runs and eight hits in 6⅔ innings. The left-hander was removed after he was hit on the left ankle by a hard grounder hit by Kevin Seitzer.

An RBI single by Kenny Lofton got the Indians to 9-4 in the seventh, but Surhoff hit his second homer of the game in the bottom of the inning.

Anderson, who set a major-league record by leading off a game with a homer 12 times during the regular season, hit Nagy's 1-2 pitch well over the right-field wall in his first career postseason at-bat leading off the first.

The Indians tied it on a home run by Ramirez in the second, but Surhoff restored Baltimore's one-run lead with a solo shot in the bottom half. Surhoff, like Anderson, was making his first playoff appearance.

The Orioles made it 4-1 in the third on a run-scoring double by Palmeiro and a two-out RBI single by Cal Ripken, playing in his first playoff game since the 1983 World Series.

It was the seventh time in the history of the AL playoffs that a team scored at least once in the first three innings of a game. Baltimore has done it three times.

On Tuesday morning, U.S. District Judge Edmund Ludwig did not rule on a request by the major leagues to order the umpires to work, and instead insisted the two sides find a way to reach agreement. Under the accord, if the appeal is heard and ruled on Thursday by the American League, the umpires are to work for the rest of the postseason.

A federal court hearing was scheduled for Friday at which the case would be revisited if either side felt the other acted in bad faith. *(AP, Reuters)*

A Dangerous Game for the Boys of Brazil

International Herald Tribune

Soccer/ROB HUGHES

LONDON — This is a message to Pele, the sports minister of Brazil and symbol of the beautiful game: S.O.S.S. — Save Our Samba Soccer.

Pele knows countless romantics like me who, fully aware that roots are contaminated, refuse to concede that all is lost.

Soccer will always be child's play, an outlet for expression among deprived kids. It costs nothing to practice with a tiny apple, an orange, a ball of rags. And Pele knows springs where imagination runs free, in Brazil and Africa. Africa sprouts talents out of poverty and squanders them through chaos. Brazil is in danger of crushing its own seed.

It still, as the precocious Ronaldo shows, produces innocents. Rediscovering his game after knee surgery, Ronaldo scored twice for Barcelona on his 20th birthday, twice more in Sunday's subsequent game.

He is big, but he glides. There is no part of his anatomy that cannot command obedience from the ball at a touch — head, chest, muscular thighs, either foot. His mom was among 100,000 Catalans in Barcelona's Nou Camp Stadium, and watched her birthday boy skip with joy amid the flying boots.

He is an escapee. At 16, men constantly kicked him in Brazil. At 17, he moved to Holland, at 19, Eindhoven traded him for $20 million to Barcelona's "new" coach, 63-year-old Bobby Robson.

Youth serves age, and I know Robson, a match for any youngster's enthusiasm, will try to protect Ronaldo.

Meanwhile, back in Brazil, a Flamengo forward called Savio, two years Ronaldo's senior and his likely scoring partner in the national team, recently received alarming advice.

Mario Zagalo, the national trainer, warned Savio: "Young man, take care. Cut down on the dribbling, or else they will cut you down at the shins."

I paraphrase, but the gist is accurate. Savio ignored it at his peril when Flamengo met Corinthians.

Savio is light and quick, a magnate to thugs. A Corinthian boot hacked him down, a deliberate kick apparently aimed at a known wound on Savio's ankle. The aggressor, Alexandre Lopes, got a slap on the wrist, a yellow card. Savio got doctor's orders to rest for 15 days. As a pressured species, he will be risked long before that time is granted.

There is little hope for the boys who remain in Brazil. Those who come out of Rio and Sao Paulo illuminate the world game in faraway Japan, where they enthuse a new culture, or in Europe where if they sometimes conquer coaching systems and are then pursued by the ambitious — males with the money, females with the looks.

For those who can do tricks with the ball, there is always a place to play. Carlos Eduardo Castro de Souza, known as Edu, last month found his haven in a town called Lushnja — in Albania. That has to be a first, a foreign mercenary paid $50,000 a year to kick a ball.

If the price is right, Brazilians will go anywhere. But who will protect the source? Can Pele *impose* a return to lost values in a land where nothing grows more exotic than its soccer sons?

But if Brazil farms embryonic talents, the playing fields are blighted with craven boardroom tyrants and acquiescent coaches.

I remember Tele Santana, the last true coach of Samba soccer, retreating from stones and rotting fruit because his 1982 World Cup team returned without a medal. I remember his pained withdrawal before he moved back into club coaching, and toward compromising his ideals.

I recall, too, another free spirit and what he prophesied beneath a mountain in Leblon, Brazil, called "The Two Brothers." But wait, a little, for him.

CONSIDER first the lunatic asylum that, abetted by cowardly refereeing, is crippling the gifted in Brazil's sport. Right across Europe at the moment we have professional players, ever a myopic flock, crying out loud because refs are brandishing red cards at their elbowing, their willingness to maim fellow professionals.

The excuse, everywhere, is pressure. But in Brazil, which still fields the world champion team, the extremes are worse.

Brazil has a ritual sacking season known as the Dance of the Coaches. This season's Brazilian championship is almost two months old, and nine of the 24 clubs have fired their coaches. Guarani got the ball moving, dismissing its coach after two games.

Botafogo reached the depths of conspiracies when its coach, Marinho Perez, who must have done something right by qualifying his squad for the Libertadores Cup, received his notice with his wake-up call after the first game of the tournament in Santiago. He awoke to find that players and directors had conspired in the night and all agreed he should fly back to Brazil, solo.

This mentality demeans the trainers who brutalize the game, for it is quicker to destroy than to create. Sitting beneath the mountain in 1977, the late Joao Saldanha — a one-time war correspondent, former Communist Party activist, TV commentator and briefly the 1970 national coach — said:

"Our championship has become worse than Italy. Why? It's the character of these guys who coach. They are defensive, the trainers are afraid to lose their jobs, like two fighters defending every round. The record for one club is nine coaches in one season, America of Minas Gerais in 1967. They just pay up contracts, these bandits in the boardrooms."

Saldanha, to his dying day six years ago, railed against the repression of skill. "It goes against the sway of our crowds and the character of our players," he insisted. "Football is like a short blanket in winter. If you protect your neck, your feet get cold. The art is to live within the blanket."

If Saldanha were not gone he would be protesting still. It is for the living, led by Pele, to teach their countrymen what was good about what used to be.

Rob Hughes is on the Staff of the Times of London.

Tyson Loses Court Decision

The Associated Press

ALBANY, New York — Mike Tyson lost a costly decision to the man who helped him prepare for some of his most memorable victories.

A federal court jury on Monday ordered the heavyweight champion to pay his former trainer, Kevin Rooney, $4.4 million for unjustly firing him eight years ago. Rooney had sued for $49 million, claiming Tyson breached a lifetime contract.

Angry Tyson supporters, led by the Reverend Al Sharpton and the boxing promoter Don King, chanted "No justice, no peace" after the verdict and claimed the all-white jury verdict was racially motivated. Tyson is black and Rooney is white.

Tyson, who said he would appeal, would not comment when asked if the decision was racially biased. But he said jurors could not fathom that a man who just left prison could make millions of dollars, adding that he thought it was hard for middle-class white people to like rich black men.

"They think they're doing good justice — 'Well, he's making good money, why don't we just give this guy some money,' " Tyson said. "I resent it.

During the trial, Rooney could produce no written contract specifying that he had been hired to train the boxer. But he argued that the arrangement had been established by Tyson's mentor, the late Cus D'Amato, when Rooney started to work with Tyson in 1982.

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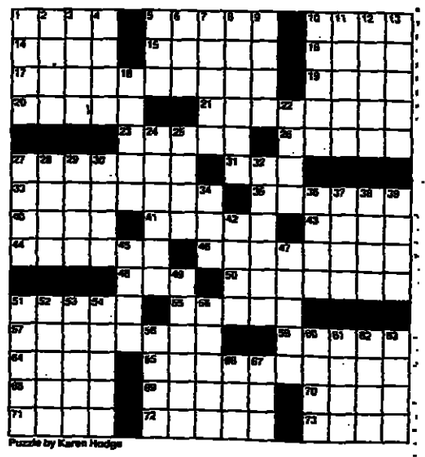
A Space for Thought.

CROSSWORD

ACROSS
1 Zeus's wife
5 "Nearer, My God, to Thee" writer — Adams
10 See 59-Across
14 Tiptop
15 Critical
16 10 C-notes
17 Person next door in Honolulu?
19 Aretha Franklin's "— No Way"
20 Tough nut
21 Clothes hamper in Gary?
22 Lace with liquor
26 Word on a French valentine
27 Musical sets
31 Dapper one
33 Tee holder in Pittsburgh?
35 Make new furrows
40 They can take a yoke
41 Wyeth's "— Pictures"
43 Fictional slave girl of Egypt
44 Fidget
46 Circus employee in Cambridge?
48 Tide alternative
50 Tex and John
51 Tend to the turkey
53 200 milligrams
57 Pen in Tulsa?
59 Weapons limited by 10-Across
64 It means nothing to Nanette
65 Jewelry in Pocatello?
66 Belly-button type
69 Family relation
70 Grammy
71 Certain NCO's
72 Author Richard Henry and others
73 Goon

DOWN
1 A little laughter
2 Kind of proportions
3 Cabinet member Janet
4 Canner?
5 Droop
6 "Oh my," to Ohm
7 Cube creator
8 Made up (for)
9 Sage or thyme, e.g.
10 Secret supply
11 "Take —!" ("Scram!")
12 Recluse
13 —— frutti
18 Little map on a big page
22 Dermatologist's case
24 Commotion
25 Land in the ocean
27 Difficult situation
28 Danza/DeVito sitcom
29 Scraped (out)
30 Rip
32 Yemen's peninsula
34 Blight victim
36 Take different paths
37 Go for
38 Baltic feeder
39 Treaties end them
42 1974 N.L. batting champ Ralph
45 Once-over, maybe
47 Hideout for Anne Frank
49 Evangeline's home
51 First name in the Kremlin
52 Fit for ——
53 Chanel product
54 Awards for Neil Simon
58 Veep Barkley
58 Orange exterior
60 Penny
61 Hardly exciting
62 Diner's card
63 Dateless
66 Nipper's co.
67 D.D.E.'s '52 and '56 rival



Puzzle by Karen Hodge

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Oct. 1

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E	L	L	A		D	E	T	E	R		S	L	I	T

هكذا من الاصل

SPORTS

Eagles Lose Peete for Year As Cowboys Win, 23-19

By Timothy Smith
New York Times Service

PHILADELPHIA — The stakes were high for the Eagles. It was an opportunity to share an early lead in the National Conference Eastern Division with the Redskins. But the most scintillating prospect was a chance to twist downtrodden Dallas, their nemesis, under their thumb.

But the Cowboys, showing remarkable resiliency and pride, foiled the Eagles' plans with a 23-19 victory before a raucous sellout crowd of 67,201 at Veterans Stadium. The Eagles dropped to 3-2 and lost starting quarterback Rodney Peete for the season, while the Cowboys moved to 2-3.

"This game was about respect, and that's what I talked to them in the locker room about," the Cowboys' coach, Barry Switzer, said. "We were going south and now we've got this thing headed north. I don't know how fast we're going or how much momentum we have."

The Eagles' chances for victory took a sharp nosedive late in the second quarter when Peete went down trying to avoid a sack by Tony Tolbert, one of Dallas' defensive ends. It appeared that Peete's knee buckled when he planted his foot and then ducked to avoid the lineman, who crashed into him anyway, causing Peete to fumble. Peete tore the patella tendon in his right knee and will be lost for the year.

The Cowboys recovered the ball at the Eagles' 30 and, four plays later, the Dallas kicker, Chris Boniol, hit his third field goal of the night, a 30-yarder that made it 20-10 Cowboys with 13 seconds to go in the half.

The Eagles then went with the backup quarterback Ty Detmer, who was shaky. In the long term, they cannot expect to mount a serious playoff run with a quarterback as inexperienced as Detmer, a Heisman Trophy winner at Brigham Young University who has not started in his five years in the league.

It was Detmer who was intercepted by George Teague, a Dallas safety, on a fourth-and-8 pass from the Cowboys' 29 with one minute 58 seconds to play, and that snuffed out the Eagles' last chance for a victory.

The Eagles' defense did show some poise. It held Dallas to just 3 points in the second half and forced the Cowboys' quarterback, Troy Aikman, into two turnovers. One led to a 22-yard interception return for a touchdown by Rhett Hall, a defensive tackle, early in the third quarter that narrowed the score to 20-17. The other set up a 29-yard field-goal attempt by Gary Anderson that was blocked by Leon Lett, a Dallas defensive tackle, midway through the fourth quarter. That killed an opportunity for the Eagles to narrow the score to 23-20 and put additional pressure on the Cowboys.

"This was a huge game for us," Aikman said.

The Cowboys' star running back, Emmitt Smith, rested on the sideline for a long stretch in the third quarter and was replaced by either Sherman Williams or Herschel Walker. The breather helped both Smith and Dallas. When the Cowboys needed him to help run the clock out in the fourth quarter, Smith was fresh.

Peete also was knocked out of the game the last time the two teams played — in a divisional playoff game last January — when he suffered a concussion from a hit by a Dallas cornerback, Darren Woodson. His departure in that game led to a humiliating 30-11 loss and led Switzer to remark afterward that Dallas had really whipped the Eagles.

The Eagles' coach, Ray Rhodes, was looking for a payback on Monday, while the Cowboys were just trying to keep their heads above water.

Steven M. Falk/Reuters

Ty Detmer fumbled when sacked by Tony Tolbert in the third quarter.

The Great One at 35: How Great?

Rangers Will Find Out in Gretzky's 18th NHL Season

By Joe Lapointe
New York Times Service

NEW YORK — Can his slender, 35-year-old body endure 82 regular-season games and up to 28 more in the playoffs?

Does he dance away from hard collisions as nimbly as he used to? Has he lost the power on his shot? Is that why his goal totals have dropped from 92 in 1981-82 to 54 in 1988-89 to 23 last season?

So many questions will surround Wayne Gretzky when he begins the National Hockey League season Saturday night in Boston. So much money, hope and hype surrounds his 18th year in the league and his first as a New York Ranger.

The season is a reunion with his friend and former teammate, Mark Messier, the New York captain. Half their lifetime ago, they began their NHL careers as teenagers in Edmonton. On different teams since 1988, they remained close.

Since joining the Rangers in 1991, Messier has openly yearned for this reunion. He and Gretzky are almost the same age, born eight days apart in January 1961.

Now, together again in New York, they again can be hockey's version of Babe Ruth and Lou Gehrig or John Lennon and Paul McCartney or Butch Cassidy and the Sundance Kid.

But joining Messier's team in Messier's town, will Gretzky be satisfied with the reduced attention and ice time that go to a second-line center — which he will be, for the first time in his life? Will he mind wearing a jersey without the captain's "C" on the front? And what does it mean that the blue shirt is his third NHL sweater in less than eight months?

Signed as a free agent last summer after playing in Los Angeles and St. Louis last season, Gretzky will earn a base salary of $5.047 million, third highest in the league, but less than he made last season and less than Messier's $6 million this season.

When his younger teammates were learning to tie their first pairs of skates, Gretzky already was a dazzling image on a television screen, hoisting the Stanley Cup. Even Ranger veterans, established stars on their own terms, seem a bit awestruck by The Great One.

"You hang on his every word," said Mike Richter, the 30-year-old goalie who was the most valuable player in the recent World Cup tournament. "He's a really interesting guy . . . . He has changed the way the game is played. He's very different, very special."

But is he still very great? During the World Cup, Gretzky played for Team Canada, against Richter and the United States. By the middle of the tournament, in an overtime game against Sweden, Gretzky occasionally leaned over the boards, wincing from pain in his previously injured back. In the final minute of the final game, when Canada had a chance to tie the game, Messier and Paul Coffey worked the puck to Gretzky, next to Richter's net, with the goalie pulled to the other side.

> **'At 75 percent of his best . . . he is miles ahead of almost everybody in the league.'**

All Gretzky had to do was redirect the puck. But he said he didn't see it in time. He swung his stick and missed it. Was the World Cup a preview of what is to come at Madison Square Garden?

"I had a minor, nagging injury that I didn't get a chance to heal," Gretzky said. "It's fine now."

He answers such questions in a slightly weary voice, in a slightly wary tone, with a slightly leery look as he stands in the locker room, pausing briefly with reporters on the way to his car after practice at Rye Playland Ice Casino.

Unlike Messier, he doesn't seem to enjoy media attention. In the public spotlight since adolescence, Gretzky answers questions in a cool, businesslike manner of a student taking an oral exam.

"I think he is a shy person," said Neil Smith, president and general manager of the Rangers. "Wayne is a great guy, but he's not a showman."

Smith said Gretzky is "still 75 percent" the player he was at his peak, when he scored 215 points, including assists, in a single season. Last season, he scored 102.

"I don't think he can take the puck like he used to in his heyday and be a complete one-man show the whole game," Smith said. "But I think his effectiveness is extremely high and, at 75 percent of his best, I still think he is miles ahead of almost everybody in the league."

Of Gretzky's shot, Smith said: "His shot isn't what it used to be. But he got 92 goals one year. I still think it's pretty good. You aren't going to be as strong at 35 as you were at 25."

If the hands, feet and eyes are the first tools to weaken, the last is probably the mind, and there is little doubt that Gretzky still possesses an eerie sense of playmaking that borders on precognition. No player in the last three decades has Gretzky's combination of passing skill and creative imagination.

Like a chess champion, Gretzky seems to think many moves ahead. He doesn't always pass directly to a teammate but rather to the open spot within the teammate's reach, a stride ahead of the last defender.

Does he still have confidence in his shot?

"Yeah," Gretzky replied, "I just think I play a little bit differently. I think that, in my early years, people used to back off me so much, and now, they seem to kind of be right in my face, and that creates open opportunities for other people. And I've got to move the puck. It's as simple as that."

Last season, when his play slipped as he forced a trade from Los Angeles to St. Louis, Gretzky's image fell in some quarters, especially in Canada. Asked if this hurt him, he replied: "It didn't hurt me. I stood up and made a decision that the organization was scared to make. I took the hit for it and I knew I would."

His agent, Michael Barnett, said Gretzky chose the New York Rangers over three or four other bidders because, surrounded by Messier and other stars, it was the best fit. He would have the best chance of winning.

Messier said Gretzky wouldn't have trouble bonding with his new teammates because "he is such an easy-going guy and so down-to-earth that right away he makes everybody feel comfortable. He has never put himself above anybody."

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST	W	L	T	Pct.	PF	PA
Indianapolis	4	0	0	1.000	76	50
Buffalo	3	1	0	.750	56	61
Miami	3	1	0	.750	104	57
New England	2	2	0	.500	79	66
N.Y. Jets	0	5	0	.000	62	132
CENTRAL						
Pittsburgh	3	1	0	.750	94	63
Baltimore	2	2	0	.500	65	84
Houston	2	2	0	.500	98	90
Jacksonville	2	3	0	.400	103	102
Cincinnati	1	3	0	.250	70	82
WEST						
Denver	4	1	0	.800	116	76
Kansas City	4	1	0	.800	110	75
San Diego	4	1	0	.800	128	116
Oakland	1	4	0	.200	85	100
Seattle	1	4	0	.200	71	138

NATIONAL CONFERENCE

EAST	W	L	T	Pct.	PF	PA
Washington	4	1	0	.800	103	56
Philadelphia	3	2	0	.600	106	111
Arizona	2	3	0	.400	82	131
Dallas	2	3	0	.400	87	76
N.Y. Giants	2	3	0	.400	58	97
CENTRAL						
Green Bay	4	1	0	.800	157	66
Minnesota	4	1	0	.800	100	80
Detroit	3	2	0	.600	113	63
Chicago	2	3	0	.400	74	88
Tampa Bay	0	5	0	.000	45	126
WEST						
Carolina	3	1	0	.750	88	57
San Francisco	3	1	0	.750	107	51
St. Louis	1	3	0	.250	64	98
Atlanta	0	4	0	.000	58	124
New Orleans	0	5	0	.000	70	124

MONDAY'S SCORES

Dallas 23, Philadelphia 19

SOCCER

ENGLISH PREMIER LEAGUE

Newcastle 4, Aston Villa 3

STANDINGS (Liverpool 20; Newcastle 18; Arsenal 17; Manchester United 16; Wimbledon 15; Chelsea 13; Sheffield Wednesday 13; Aston Villa 12; Middlesbrough 11; Leicester 11; Derby 10; Sunderland 9; Everton 9; Tottenham 8; West Ham 8; Nottingham Forest 7; Leeds 7; Southampton 5; Coventry 5; Blackburn 3

SPANISH FIRST DIVISION

Atletico Madrid 3, Hercules 0

STANDINGS: Barcelona 13; Deportivo Coruna 13; Real Madrid 11; Real Betis 10; Tenerife 9; Atletico Madrid 9; Oviedo 9; Real Sociedad 8; Espanyol 7; Valencia 7; Valladolid 7; Logrones 7; Racing Santander 7; Athletic Bilbao 7; Sporting Gijon 7; Rayo Vallecano 6; Compostela 6; Zaragoza 6; Celta Vigo 4; Sevilla 2; Hercules 2; Extremadura 0

GOLF

Ryder Cup Points

Leading standings through Sept. 29 for the 1997 Ryder Cup to be played Sept. 26-28, 1997 at Valderrama in Sotogrande, Spain:

UNITED STATES

1, Mark Brooks 519.750; 2, Tom Lehman 517,000; 3, Phil Mickelson 480,000; 4, Davis Love III 435,000; 5, Scott Hoch 400,000; 6, Mark O'Meara 350,000; 7, Steve Stricker 302,500; 8, Jeff Maggert 296,625; 9, Steve Jones 290,000; 10, Kenny Perry 276,250; 11, Tommy Tolles 265,000; 12, Justin Leonard 263,500; 13, Fred Couples 245,000; 14, David Duval 235,000; 15, Michael Bradley 222,500.

EUROPE

1, Colin Montgomerie, Scotland 213911.67; 2, Sam Torrance, Scotland 88045.00; 3, Miguel Angel Martin, Spain 87050.00; 4, Costantino Rocca, Italy 71413.33; 5, Miguel Angel Jimenez, Spain 66121.33; 6, Ross Drummond, Scotland 53815.00; 7, Peter Mitchell, England 53295.00; 8, Paul Curry, England 50135.00; 9, Ian Woosnam, Wales 46393.33; 10, Seve Ballesteros, Spain 39283.33; 11, David Howell, England 38135.83; 12, Gary Orr, Scotland 36058.33; 13, Stuart Cage, England 31023.33; 14, Paul Broadhurst, England 29274.25; 15, Padraig Harrington, Ireland 26033.33.

RUGBY LEAGUE

AUCKLAND, NEW ZEALAND
New Zealand 24, Papua New Guinea 22

HOCKEY

PRESEASON HOCKEY

N.Y. Rangers 7, Pittsburgh 1
St. Louis 2, Buffalo 1
Ottawa 3, Montreal 0
Colorado 5, San Jose 2
Vancouver 3, Anaheim 0

STANDINGS: EASTERN CONFERENCE

Ottawa 10; Montreal 9; N. Jersey 8, Tampa Bay 8, Washington 8, N.Y. Rangers 8; Buffalo 7, N.Y. Islanders 7, Bost. 7, Florida 7, Hartford 7; Philadelphia 6; Pittsburgh 5; **WESTERN CONFERENCE:** Detroit 17; Calgary 10, Vancouver 10; Los Angeles 9, St. Louis 9; San Jose 8, Colorado 8; Edmonton 7, Chicago 7, Phoenix 7; Anaheim 6; Dallas 5; Toronto 4

CRICKET

KENYAN CENTENARY FOUR NATION TOURNAMENT

SRI LANKA VS. SOUTH AFRICA

TUESDAY, IN NAIROBI

South Africa innings: 169 -9 in 42 overs
Sri Lanka innings: 170-8 in 40.4 overs.
Sri Lanka beat South Africa by two wickets.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BOSTON — Fired Kevin Kennedy, manager.

NATIONAL LEAGUE

CHICAGO — Fired Ferguson Jenkins, pitching coach.

FLORIDA — Activated RHP Wilson Heredia from 60-day disabled list and designated him for assignment.

LOS ANGELES — Claimed 3B Howard Battle off waivers from Philadelphia.

NEW YORK — Fired Tom McCraw, hitting coach Steve Swisher, bullpen coach Rafael Landestoy, first base and bench coach and Mike Cubbage, third base coach. Announced resignation of Matt Borbiele, corporate marketing manager.

PHILADELPHIA — Fired Jim Fregosi, manager.

SAN FRANCISCO — Promoted Brian Sabean to senior vice president and general manager.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

GOLDEN STATE — Signed F Marcus Mann, C Mike Peplowski, F Lou Roe, F Darryl Parker, F Anthony Harris, G Kevin Granger, C Ray Owes, F Henry James and F Kurt Portmann.

INDIANA — Signed G Reggie Miller.

LOS ANGELES LAKERS — Agreed to terms with G Byron Scott.

VANCOUVER — Named Larry Riley director of player personnel and Jay Hilback director of scouting.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ARIZONA — Waived RB Ryan Terry. Signed FB Ryan Christopherson.

HOCKEY

NATIONAL HOCKEY LEAGUE

NEW JERSEY — Called up D Ricard Persson from Albany, AHL. Sent D Sheldon Souray, LW Jay Pandolfo, and C Denis Pederson to Albany.

N.Y. ISLANDERS — Assigned RW David Sacco to Baltimore, AHL. C Craig Fisher, D Vladimir Chebaturkin, C Chris Taylor, RW Audrey Vasilyev and G Mark McArthur to Utah, IHL. Assigned RW Dave McLlwain to Cleveland, IHL. returned LW Jean-Pierre Dumont to Val D'Or, QMJHL. Agreed to terms with RW Zigmund Palffy on two-year contract. Assigned C Derek Armstrong and LW Ken Belanger to Kentucky, AHL.

N.Y. RANGERS — Signed D Mike Martin. Agreed to terms with D Alexander Karpovtsev, assigned D Lee Sorochan to Binghamton, AHL. Named Bill Moores assistant coach. Assigned D Maxim Galanov, LW Sylvain Blouin, G Dan Cloutier, RW Jeff Nielsen, C Ken Gernander and RW Vaildimir Vorobiev to Binghamton, AHL.

OTTAWA — Assigned RW Justin Hocking, LW Mike Maneluk, LW Jason Zent and D Patrick Traverse to Worcester and G Frederic Cassivi to Syracuse, AHL. D Marc Moro to Kingston, OHL. C Brett Lievers to Utah, IHL and F Ivan Ciernick to Slovakia, released RW Scott Thomas.

PENGUINS — Sent G Patrick Lalime to Cleveland, IHL and D Michal Rozsival to Swift Current, WHL.

PHILADELPHIA — Returned G Brian Boucher to Tri-City, WHL. RW Brian Wesenberg to Guelph, OHL. and FC Gallant to Erie, OHL. Assigned F Frank Bialowas, F Brett Brunsiks, F Bruce Coles, F Craig Darby, F Colin Forbes, F Paul Healey, F Tory Horacek, F Patrik Juhlin, F Steven King, F Shawn McCosh, F Clayton Norris, F Andre Payette, F Vaclav Prospal, F Ryan Sittler, F Peter White, D Vladislav Boutin, D Brian Curran, D Jeff Lank, D Dave Macisaac, D Darren Rumble, D Jeff Staples, D John Stevens, G Les Kuntar, G Neil Little and G Dominic Roussel to Philadelphia, AHL.

PHOENIX — Assigned G Sylvain Daigle, D Steve Chereduryk, F Rob Murray, F Scott Levins, F Tavis Hansen, F Reggie Savage and F Rhett Gordon to Springfield, AHL. Assigned G Parris Duffus, F Jason Simon, D Deron Quint and D Kevin Dahl to Las Vegas, IHL. Announced LW Igor Korolev has left camp. Assigned G Scott Langkow and D Brent Thompson to Springfield, AHL. Assigned G Scott Langkow and D Brent Thompson to Springfield, AHL.

PITTSBURGH — Sent D Peter Allen, F Serge Aubin, F Brian Bonin, F Jeff Christian, F Domenic Pittis and F Ryan Sawula to Cleveland, IHL. Signed D Chris Tamer to multiyear contract.

ST. LOUIS — Returned C Michal Handzus to Slovakian team Banska Bystrica. Sent D Andy Delmore to Sarnia, OHL. Sent LW Allan Stroik, RW Bob LaChance, RW Blair Manning, C Stephane Roy, RW Kevin Plager, RW Chris Kenady, D Samy Nasreddine, D Nick Naumenko, G Travis Scott, RW B.J. Johnston, D Shannon Finn, D Kevin Rappana, D Brad Layzell, D Jason Kelly, D David Williams, D Terry Virtue, G Mike Veisor, RW Jamal Mayers, LW Alex Vasilevski, LW Scott Pellerin and LW Dimitri Leonov to Worcester, AHL. Returned C Jonathon Zukiwsky to Red Deer, WHL. Returned LW Andrei Petrakov to his Russian team, Yekaterinburg. Sent C Adam Creighton, LW Basil McRae, RW Rob Pearson, C Mike Hudson, G Mike Buzak and G Jamie McLennan to Worcester, AHL.

SAN JOSE — Assigned D Chris LiPuma to Kentucky, AHL. Traded RW Rob DiMaio to the Boston Bruins for a 1997 fifth-round draft pick.

TAMPA BAY — Released G Martin Brodeur. Assigned G Tyler Moss, D Mathieu Roby, D Alexander Laporte, D Ryan Brown, F Colin Cloutier, F Corey Spring, F Paul Brousseau, F Allan Egeland, F David Matsos to Adirondack, AHL. Returned F Joe Cardarelli, F Xavier Delisle, and D Mario Larocque to their junior teams, assigned F Jeff Toms and F Brent Peterson to Adirondack, AHL. Returned D Mike McBain to Red Deer, WHL. Loaned G Derek Wilkinson to Clev., IHL.

TORONTO — Sent F Mark Deyell, F Shayne Toporowski, F Zdenek Nedved, F Brian Wiseman, F John Craigwood to St. Johns, AHL. Assigned D Yannick Tremblay, D David Cooper, RW Shayne Toporowski, D Greg Smith, C Brian Wiseman, LW RobF Wayne Presley, F Mark Kolesar, G Marcel Cousineau to Butz to St. John's, AHL. Returned G Francis Larivee to Laval, QMJHL. Designated D Rob Zettler, F Daniel Marois and F John Craighead for assignment.

VANCOUVER — Assigned LW Larry Courville, LW George Zajankala, C Rick Girard, C Libor Polasek, C Lorany Schenos, RW Brian Loney, D Chris McAllister, C Rod Stevens, Bert Robertsson and D Chad Allen to Syracuse, AHL.

WASHINGTON — Sent F Benoit Gratton, F Joel Poirier, F Daniel Reja, D Greg Callahan, D Neal Martin, D Joel Theriault and G Todd Reynolds to Portland, AHL. Signed C Alexandre Volchkov to three-year contract. Assigned D Steve Poapst, G Darryl Paquette.

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DENNIS THE MENACE

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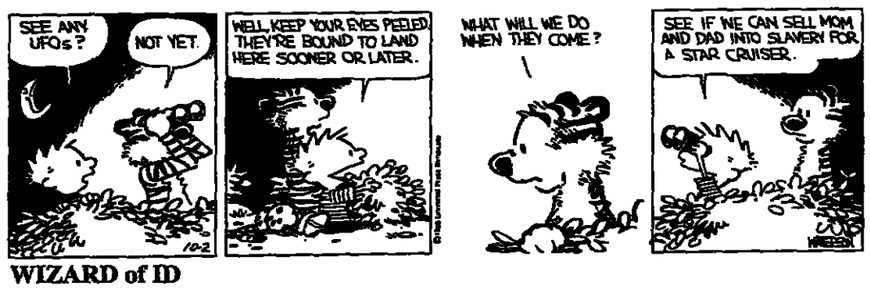
CALVIN AND HOBBES



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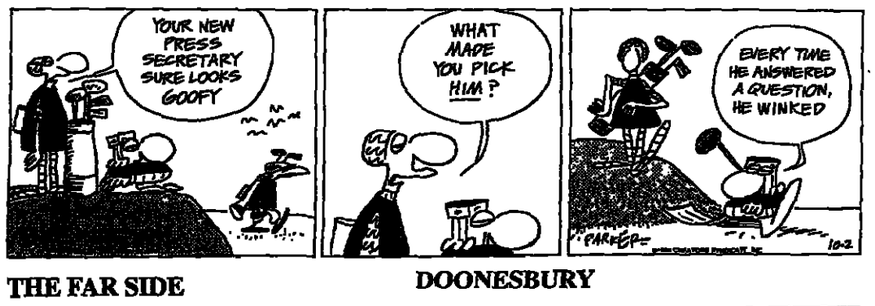


JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bill Amyton

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

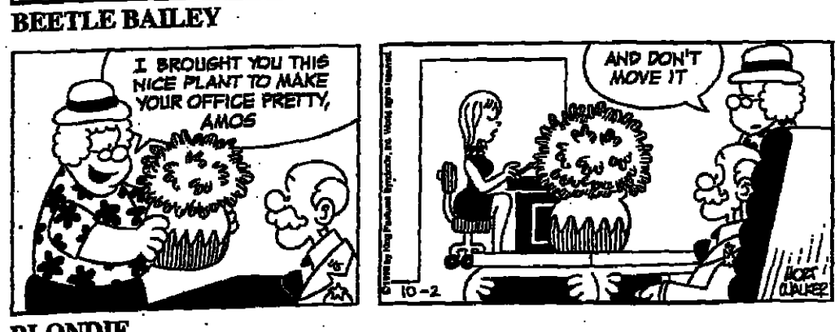
IMCUS
RIGAN
CLOIPY
ENSCOD

Now arrange the circled letters to form the surprise answer, as suggested by the above picture.

Answer: _____ TO THIS _____ (Answer tomorrow)

Yesterday's Jumbles: PARCH EXPEL MEADOW GALLOW
Answer: The bandleader's absolutely worst gig: Was this it? — CALLED ON THE CARPET

BEETLE BAILEY



THE FAR SIDE

DOONESBURY

BLONDIE

OBSERVER

Communicated With

By Russell Baker

NEW YORK — The doctor says I am being communicated with to death. I have a 4,000-a-day habit. It will finish me, the doctor says. Scientific studies show — well, you know what they always show.

Whatever it is, it's killing you.

With me it's being communicated with. Four thousand times a day I get communicated with.

Just now, for instance, the telephone rang, and rang, and rang. You know that sound. "Come and get communicated with this very instant," it says, "or you will miss the chance of a lifetime."

And of course there was nobody there. I had been communicated with without receiving any communication, unless you count the menacing thought implanted in my mind that next time I'd better answer the phone quicker if I know what's good for me.

□

I think I am being communicated with by an impatient robot in the telemarketing business. Take your sweet time about lifting the phone and the robot cuts out, silently cackling. "Tough buns, Buster — now you'll never know that a free demonstration of a new miracle hearing aid will be held at Ravaged Forest Mall this weekend."

I am also communicated with through E-mail, fax, mailman mail, radio, television . . . . Excuse me, but I simply must let the Weather Channel communicate with me about that huge trough developing over the Middle West. Back in a jiffy . . .

Well, it was more than a jiffy, wasn't it? Sorry, but five pounds of communication matter was put through the mail slot, and before it finished communicating with me the sun had set, the moon was setting and, exhausted by another day of being communicated with, I needed a night's sleep.

It started innocently enough in childhood. Once or twice a month my best pal Frankie would communicate with me with ink, paper and a three-cent stamp. Seems harmless, eh? Hah! There was no Nancy Reagan in those days telling us to just say no. No Bill Clinton cruised the continent by bus and mighty jet to warn against yielding to the temptations of being communicated with.

Soon we were being communicated with from all over the world. The doctor says that by being communicated with just 500 times a day less than my present rate I can add years to my life, and I am going to do it. Yes, but I'll wait until tomorrow to start. At the moment I simply must be communicated with by the World Wide Web so I can get the score of the Yankee game.

I saw that score in the morning newspaper, but the Web will let me know if it's been changed since the game ended. Also it will give me a reason to fiddle around on the Internet for an hour or two, which will add to the pointlessness of the day.

Anyhow, why try to quit being communicated with when you're up against so many polluters exposing you to secondhand communications? All those people with beepers and cellular telephones selfishly poisoning your air by being noisily communicated with right under your ears . . . Ah, the oven buzzer just communicated with me! The pizza is ready.

New York Times Service

Making Waves in the Hong Kong Film World

By Jenni Meili Lau

Josephine Siao: "People always have to find a foreign image to match me up with."

HONG KONG — Ever since she started acting at the age of five, gaining a reputation as a Chinese Shirley Temple, the Hong Kong actress Josephine Siao has been compared to Western film stars. In the '60s, she became a teen idol, appearing in such films as "The Story of a Rebellious Child" (1969), in which she played a character described as a female James Dean. In the '70s, she developed the hugely successful comic character Lam Au Chun, now known as Asia's Charlie Chaplin. "I find it very funny that people always have to find a foreign image to match me up with. I come from a totally different culture and it's difficult for me to understand such simple comparisons," says the 49-year-old actress. "But I have to admit, I find it flattering."

Her 40-year career has been one long exercise in setting precedents and continues to flourish as she makes waves as one of the first Hong Kong actresses to gain recognition, and respect, in international arenas.

Last year, Siao won the Silver Bear Award for Best Actress at the Berlin Film Festival for her portrayal of a strong-willed housewife coping with her father-in-law's Alzheimer's disease in the film "Summer Snow," by Hong Kong director Ann Hui. Siao was recently offered a role opposite Johnny Depp in the Hollywood film "Shanghai." But she didn't have the time and turned the part down. "If one goes to Hollywood, you have to plunge into it and there is always a price to pay — one that I'm not ready to pay just yet," the actress explains.

Siao has other priorities — like raising her two daughters, ages 11 and 15, by marriage to TV executive Clarence Chang, and pursuing her master's degree in child psychology through a correspondence course at Regis University in Denver, Colorado. Between kids and books, she only has time to do one film a year and is thus very discriminating about selecting parts. "Most female roles in Hong Kong films are pathetic. The parts are written by men who put their fantasies and egos into the script. They want women to be ladies-in-waiting or little dolls." Siao most recently won acclaim for her portrayal of a Cantonese opera star, who gives up her illegitimate child in order to pursue a singing career, in the Hong Kong film "Hu Du Men." The movie's director Shu Kei says, "She is most probably the best actress working in Hong Kong cinema now — few can match her range or popularity. Yet considering her status, she is easy to work with. She is not the kind of domineering actress who once she says something, you have to go along with it."

Siao doesn't have any qualms about voicing her opinions, however. In "Hu Du Men," for instance, it was her idea to have the female opera singer play male roles on stage, a move that adds significant dimension to the question of gender roles presented in the film. "An actress is not much of actress if she doesn't make the part work," says Siao. Directors must also accept the fact that Siao is deaf — completely in her right ear and partially in her left. She communicates by reading lips, in both Chinese and English. She also uses a hearing aid, though she can only wear it for short periods of time. Directors, in turn, try to shoot quickly and avoid changing locations during a session in order to save time. "Her handicap is not that much of an impediment because she is very attentive and she listens to you," says director Hui. "It's far worse to have an actress with perfect hearing who doesn't hear a thing you say."

Directors haven't always been so accommodating, however. Siao recalls being treated with little respect as a child star. During the shooting of the 1958 film "Nobody's Child," for example, eight-year-old Siao was flogged with a rattan cane. "I played an orphan, and there was a scene where the actor playing my stepfather had to beat me. He didn't tell me he was really going to beat me. The director shouted, 'Action!' and the actor beat me hard. He didn't even say sorry afterwards. He just walked away. That was my first encounter with evil."

After that, she wanted out of the business, but remained because it was a means of survival. Not only was she supporting herself and her mother, but it enabled her to send money back to relatives in mainland China.

An only child born in Shanghai in 1947, Siao arrived in Hong Kong at the age of 2 and became deaf in her right ear soon thereafter. A year later, her father, who was also deaf, died. Financially strapped, her mother approached a friend, Yuen Yang-an, who as head of the Great Wall Film Company, managed to pull a few strings and launch the little girl's acting career. Audiences took kindly to the waifish five-year-old and a barrage of film offers quickly ensued. "I had to accept every one of them," recalls Siao. "People in Chinese society believed, still believe, that if you get an offer, you accept, because it could be the kind of opportunity that only comes along once in a lifetime. As a child star, they can dump you, like a trend. They say, 'You don't give me face if you don't accept my offer!' "

By the time she was 21, Siao had appeared in more than 200 films. "I was sick of acting. I resented having been pushed into it. And I was ready to retire," she says. Siao sought refuge in the United States, spending the next four years pursuing degrees in communications and Asian studies at Seton Hall University in New Jersey. "I felt liberated. I was finally doing something for myself," she recalls. Her freedom, however, proved fleeting. After graduating, she returned to Hong Kong with the purpose of helping her mother emigrate to the United States, but upon return, discovered that her mother had decided to stay in Hong Kong. Movie offers started rolling in and Siao was sucked back into the industry.

In the '70s, Siao — who is fluent in Mandarin and Cantonese — became a popular fixture in both Taiwanese and Hong Kong films. She also made her comic breakthrough in the film "Lam Au Chun," in which her hilarious portrayal of the title-character proved a watershed, not only for her, but for the genre itself. "Comedy was not as appreciated then as it is now. But that started to change after 'Lam Au Chun,' " recalls Hui. "It was very impressive the way Siao switched from serious parts to this ugly duckling character. She can play all kinds of roles — kung fu, comedy, drama. She speaks both Chinese dialects, knows martial arts, dances. She doesn't sing very well, but she tries. It's often forgotten that she is so talented. People take her for granted because she has been around so long."

So now, some four decades since first stepping in front of the camera, does Siao still resent having been pushed into the business? "Not any more," she says. "Of course, being a child star didn't do me any good as far as character formation is concerned. It made me very self-conscious. But I've come to terms with myself and the industry. And now I have a choice."

Jenni Meili Lau is a writer based in Hong Kong.

PEOPLE

THE British explorer **Ranulph Fiennes** says he hopes to become the first man to walk solo and unaided across Antarctica. If all goes as planned, Fiennes will leave Berkner Island in the north of Antarctica on Nov. 1, travel via the South Pole and the Filchner Ice Shelf, and arrive 110 days later at Scott Base in the southwest of the continent. He will drag along his equipment — 500 pounds of it — by sled. Beyond the feat itself, the aim of his 1,800-mile (2,900-kilometer) journey is to raise £3 million ($4.7 million) for a breast cancer charity.

□

A prison guard, testifying in a civil suit, has denied **Amy Fisher's** allegations that they had an affair in 1993. "I have never had sex with Amy Fisher," said the guard, **Sergeant Robert Schwartz**, 49. "I thought of myself as more of a father figure." Fisher, 22, and her mother are suing to have her transferred out of the Albion state prison, near Buffalo, New York, and into the federal prison system. They say she has been repeatedly raped, abused and sexually harassed by guards at the medium-security prison. Fisher, who is serving 5 to 15 years for shooting the wife of a former boyfriend, **Joey Buttafuoco**, testified last week that Schwartz had befriended her and eventually had sex with her in the summer of 1993, when she was 19 and in the Albion prison. Schwartz admitted that his conduct toward Fisher, a series of calls and a note, was "wrong," but he said his interest in her was paternal and never sexual.

□

Martin Dunn, editor-in-chief of the New York Daily News, will leave the paper this month, becoming the latest of several senior editors to come and go since **Mortimer Zuckerman** bought the tabloid in 1993. No successor was named. Staff members said Dunn, a 41-year-old Briton, had helped revive a sense of unity at the paper after it had passed through the turmoil of its ownership by **Robert Maxwell**. Maxwell's mysterious death and the paper's subsequent default. During Dunn's tenure, The News steadily gained circulation — its Sunday edition broke a million earlier this year — and edged into profitability for the first time in years. But the paper is clearly still trying to recapture the status it achieved as an emblem of New York's blue-collar bluntness during its glory days after World War II.

□

Divine Brown, the prostitute caught with **Hugh Grant**, didn't show up in court in as ordered to face prostitution charges. Authorities in Las Vegas issued a warrant for Brown, whose real name is **Estella Maria Thompson**. She had been arrested Sept. 8 by police who said she was trying to pick up customers outside the MGM Grand Hotel. Brown and Grant, star of "Four Weddings and a Funeral" and "Nine Months," pleaded no contest to lewd conduct after being arrested together in Los Angeles last year.

□

At a star-studded gala in Las Vegas marking the 30th anniversary of Caesars Palace Hotel-Casino, **Dennis Hopper** narrated a film of **Evel Knievel's** near-fatal attempt to jump Caesars' fountain on a motorcycle in 1967. The clip shows Knievel's motorcycle lurching out of control after it lands on a ramp at the end of the jump, and slow motion of Knievel landing on his head, then flipping end-over-end. "I know I'm lucky I'm still alive," Knievel said after walking on stage with a limp. "I'm so proud to be a part of this beautiful hotel and its legends." Others at the ceremony included **Muhammad Ali, Julio Iglesias, B.B. King** and the actor **Tony Danza**, host of the black-tie affair.

□

Yehudi Menuhin's longtime support of Hungarian music has earned him the nation's highest civilian award — the Order of Merit of the Republic, presented to him by **President Arpad Goencz**. Menuhin, 80, is a great admirer of Hungarian folk music, especially Gypsy music. He was a friend of the Hungarian composer **Bela Bartok** and commissioned Bartok's "Sonata for Solo Violin" in 1944. Menuhin was in Hungary to conduct a gala concert for World Music Day and the 50th anniversary of the UN Educational, Scientific and Cultural Organization.

Alastair Grant/The Associated Press

UNVEILED — A life-sized painting of Princess Diana as the goddess Fortuna. "Eclipse" by Andre Durand was unveiled Tuesday in London.

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Australia	1800-881-011	Philippines●	105-11	Bosnia▲△	00-800-0010	Hungary●	00●800-01111	Poland●▲	0●0-800-111-1111	MIDDLE EAST		Argentina●	001-800-200-1111	Peru▲■	.171
China, PRC▲	10811	Saipan▲	235-2872	Bulgaria■	00-800-0010	Iceland●	800 9001	Portugal▲	05017-1-288	Bahrain■	800-001	Brazil	000-8018	Venezuela●■	800-11-120
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